SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. February 27, 2025
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 443 3. BIR Tax Identification No. 000-444-210-000

4. CHINA BANKING CORPORATION
   Exact name of issuer as specified in its charter

5. Philippines
   Province, Country or other jurisdiction of incorporation

6. SEC (Use Only)
   Industry Classification Code:

7. China Bank Bldg., 8745 Paseo de Roxas, Makati City
   Address of principal office

   1226
   Postal Code

8. (02) 8885-5555
   Issuer's telephone number, including area code

9. -- NA --
   Former name or former address, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	2,691,343,012 shares

11. Indicate the item numbers reported herein: Item 9

Attached is the 2024 Audited Financial Statements of China Banking Corporation and its subsidiaries and the corresponding notes to Financial Statements.

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHINA BANKING CORPORATION
Registrant

Date February 27, 2025

ATTY. LEILANI B. ELARMO
Corporate Secretary
Signature and Title *

*** Print name and title of the signing officer under the signature.**

Chinabank

27 February 2025

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

Attention: **1. Atty. Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

2. Atty. Rachel Esther J. Gumtang-Remalante
Director, Corporate Governance and Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.
6th Floor PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Atty. Stefanie Ann B. Go**
Officer-in-Charge, Disclosure Department

Sir, Mesdames:

We are pleased to furnish your good office with a copy of China Banking Corporation's 2024 Audited Financial Statements and the corresponding notes to Financial Statements.

Respectfully yours,

GERALD O. FLORENTINO
Corporate Information Officer

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

4	4	3

COMPANY NAME

CHINA BANKING CORPORATION AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

8745 Paseo de Roxas cor. Villar St., Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
https://www.chinabank.ph	8885-5555	N.A.

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,790	04/24	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Patrick D. Cheng	pdcheng@chinabank.ph	8885-5022	

CONTACT PERSON's ADDRESS

8745 Paseo de Roxas cor. Villar St., Makati City

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

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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) 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) together with the ethical requirements that are relevant to our audit of the consolidated and parent company financial statements 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 Matters

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, 2024 for the Group and the Parent Company amounted to ₱15.78 billion and ₱12.77 billion, respectively. Provision for credit losses on loans and receivables of the Group and the Parent Company in 2024 amounted to ₱3.35 billion and ₱2.55 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 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.

Applicable to the audit of the Consolidated Financial Statements

Impairment testing of goodwill and branch licenses with indefinite useful life

Under PFRS, the Group is required to annually test the amount of goodwill and branch licenses with indefinite useful life for impairment. As of December 31, 2024, the Group's goodwill and branch licenses totaling ₱2.90 billion and ₱1.33 billion are attributed to the Parent Company's Retail Banking Business (RBB) segment and to the subsidiary bank, China Bank Savings, Inc. (CBSI), respectively, which are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically discount rate and long-term growth rate.

The Group's disclosures about goodwill and branch licenses are included in Notes 3 and 14 to the financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodology(ies) and the assumptions used. We compared the key assumptions used, such as revenue growth rate against the historical performance of the RBB and CBSI, industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and branch licenses.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 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 PFRSs, 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 Manual of Regulations for Banks and Revenue Regulations 15-2010

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 Manual of Regulations for Banks in Note 37 and Revenue Regulations 15-2010 in Note 38 to the financial statements is presented for purposes of filing with the BSP 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
BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465256, January 2, 2025, Makati City

February 26, 2025

CHINA BANKING CORPORATION AND SUBSIDIARIES

BALANCE SHEETS

(Amounts in Thousands)

	Consolidated		Parent Company	
	December 31			
	2024	2023	**2024**	2023
ASSETS				
Cash and Other Cash Items	**₱18,260,927**	₱15,998,094	**₱13,230,415**	₱13,041,135
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	**82,639,923**	84,595,973	**61,109,605**	73,156,991
Due from Other Banks (Note 7)	**12,540,230**	19,964,415	**11,365,807**	17,352,830
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	**20,326,149**	34,720,250	**20,326,149**	31,075,654
Financial Assets at Fair Value through Profit or Loss (Note 9)	**11,302,754**	13,631,287	**10,251,971**	12,642,063
Derivative Contracts Designated as Hedges (Note 26)	**2,766,372**	3,946,553	**2,766,372**	3,946,553
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	**134,105,832**	106,541,487	**121,634,407**	93,826,436
Investment Securities at Amortized Cost (Note 9)	**394,519,620**	380,461,421	**386,688,846**	373,567,542
Loans and Receivables (Notes 10 and 30)	**915,229,756**	771,991,759	**782,913,377**	663,182,149
Accrued Interest Receivable (Note 16)	**13,444,829**	11,464,932	**12,218,823**	10,382,588
Investment in Subsidiaries (Note 11)	**–**	–	**25,374,573**	22,616,966
Investment in Associates (Note 11)	**1,978,893**	1,389,952	**1,978,893**	1,389,952
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	**9,795,106**	10,078,844	**7,702,137**	8,086,119
Investment Properties (Note 13)	**6,962,434**	3,936,112	**4,833,466**	1,737,570
Deferred Tax Assets (Note 28)	**5,509,764**	6,505,865	**3,720,959**	4,961,076
Intangible Assets (Note 14)	**4,406,522**	3,776,649	**1,354,898**	726,317
Goodwill (Note 14)	**839,748**	839,748	**222,841**	222,841
Other Assets (Note 15)	**11,464,553**	8,199,881	**7,319,039**	4,614,667
	₱1,646,093,412	₱1,478,043,222	**₱1,475,012,578**	₱1,336,529,449
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 30)				
Demand	**₱298,229,464**	₱291,397,398	**₱271,622,434**	₱266,547,758
Savings	**295,398,963**	283,859,211	**273,676,084**	263,095,339
Time	**737,518,251**	611,466,946	**620,429,470**	520,931,657
	1,331,146,678	1,186,723,555	**1,165,727,988**	1,050,574,754
Bonds Payable (Note 18)	**–**	19,989,307	**–**	19,989,307
Bills Payable (Note 19)	**112,133,138**	84,798,489	**112,133,138**	84,798,489
Manager's Checks	**1,688,304**	2,109,463	**1,484,625**	1,419,764
Income Tax Payable	**218,806**	133,659	**207,544**	48,083
Accrued Interest and Other Expenses (Note 20)	**9,173,143**	8,589,210	**7,873,828**	7,499,427
Derivative Liabilities (Note 26)	**1,406,274**	938,722	**1,406,274**	938,722
Derivative Contracts Designated as Hedges (Note 26)	**6,241,405**	8,049,417	**6,241,405**	8,049,417
Deferred Tax Liabilities (Note 28)	**791,376**	792,114	**–**	–
Other Liabilities (Note 21)	**14,714,648**	15,620,885	**11,442,433**	12,989,337
	1,477,513,772	1,327,744,821	**1,306,517,235**	1,186,307,300
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 24)	**26,913,430**	26,913,403	**26,913,430**	26,913,403
Capital paid in excess of par value (Note 24)	**17,201,647**	17,201,513	**17,201,647**	17,201,513
Surplus reserves (Notes 24 and 29)	**7,700,681**	5,003,653	**7,700,681**	5,003,653
Surplus (Notes 24 and 29)	**117,085,762**	100,900,465	**117,085,762**	100,900,465
Net unrealized loss on financial assets at fair value through other comprehensive income (Note 9)	**(2,052,529)**	(1,413,868)	**(2,052,529)**	(1,413,868)
Remeasurement gain on defined benefit asset (Note 25)	**1,128,315**	88,215	**1,128,315**	88,215
Cumulative translation adjustment	**74,256**	190,471	**74,256**	190,471
Remeasurement gain on life insurance reserves	**78,506**	92,103	**78,506**	92,103
Hedge-related reserves (Note 26)	**365,275**	1,246,194	**365,275**	1,246,194
	168,495,343	150,222,149	**168,495,343**	150,222,149
Non-controlling Interest (Note 11)	**84,297**	76,252	**–**	–
	168,579,640	150,298,401	**168,495,343**	150,222,149
	₱1,646,093,412	₱1,478,043,222	**₱1,475,012,578**	₱1,336,529,449

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					
	2024	2023	2022	**2024**	2023	2022
INTEREST INCOME						
Loans and receivables (Notes 10 and 30)	**₱61,146,386**	₱51,690,659	₱39,553,071	**₱48,729,458**	₱41,485,837	₱32,002,643
Investment securities at amortized cost and at fair value through other comprehensive income (Note 9)	**28,432,831**	23,236,340	15,060,053	**27,086,749**	22,730,827	14,776,396
Due from Bangko Sentral ng Pilipinas and other banks, interbank loans receivable, and securities purchased under resale agreements (Notes 7 and 8)	**2,841,623**	3,700,672	2,139,618	**1,872,720**	2,534,718	1,694,026
Financial assets at fair value through profit or loss	**1,333,218**	740,362	458,670	**1,329,526**	738,999	458,670
	93,754,058	79,368,033	57,211,412	**79,018,453**	67,490,381	48,931,735
INTEREST EXPENSE						
Deposit liabilities (Notes 17 and 30)	**25,994,513**	21,740,569	8,824,483	**19,718,814**	17,151,871	7,342,011
Bonds payable, bills payable and other borrowings (Notes 18 and 19)	**3,971,193**	3,852,869	2,615,608	**3,971,061**	3,852,827	2,615,607
Lease payable (Note 27)	**249,750**	246,790	181,789	**187,662**	193,355	141,000
	30,215,456	25,840,228	11,621,880	**23,877,537**	21,198,053	10,098,618
NET INTEREST INCOME	**63,538,602**	53,527,805	45,589,532	**55,140,916**	46,292,328	38,833,117
Trading and securities gain (loss) - net (Notes 9 and 22)	**1,108,796**	1,129,032	927,538	**1,108,770**	1,038,063	913,709
Service charges, fees and commissions (Note 22)	**3,457,856**	3,300,169	2,863,078	**2,145,075**	1,921,936	1,698,390
Gain (loss) on redemption of investment securities at amortized cost (Note 9)	**(469)**	78	1,923	**(469)**	78	1,923
Trust fee income (Note 29)	**690,807**	585,915	473,828	**690,807**	585,915	473,828
Foreign exchange loss- net (Note 26)	**(14,011,260)**	(7,354,800)	(555,316)	**(14,015,971)**	(7,362,476)	(568,087)
Gain on sale of investment properties	**436,903**	602,836	698,802	**230,875**	212,126	250,612
Share in net income of an associate (Note 11)	**757,363**	435,075	285,059	**757,363**	435,075	285,059
Gain on asset foreclosure and dacion transactions (Note 13)	**589,866**	419,748	145,801	**497,650**	373,936	181,624
Share in net income of subsidiaries (Note 11)	**–**	–	–	**2,762,351**	2,541,697	2,044,686
Miscellaneous (Notes 22 and 30)	**8,920,381**	1,445,597	5,222,179	**8,574,289**	1,176,462	4,998,275
TOTAL OPERATING INCOME	**65,488,845**	54,091,455	55,652,424	**57,891,656**	47,215,140	49,113,136
Compensation and fringe benefits (Notes 25 and 30)	**9,754,206**	8,969,408	8,145,029	**7,487,511**	7,033,384	6,432,409
Provision for impairment and credit losses (Note 16)	**3,314,707**	1,246,003	9,012,633	**2,531,461**	208,011	7,427,202
Taxes and licenses	**6,437,457**	5,628,497	4,729,828	**4,951,698**	4,405,025	3,954,612
Insurance	**3,122,206**	2,744,739	2,284,645	**2,667,151**	2,391,242	2,015,047
Depreciation and amortization (Notes 12, 13 and 14)	**2,288,054**	2,006,146	1,737,144	**1,731,314**	1,527,440	1,317,159
Occupancy cost (Notes 27 and 30)	**2,393,821**	2,230,649	2,163,226	**1,729,790**	1,696,216	1,611,922
Professional fees, marketing and other related services	**1,081,319**	848,561	727,288	**969,083**	704,971	579,516
Transportation and traveling	**796,430**	699,430	576,755	**573,199**	524,270	429,856
Entertainment, amusement and recreation	**602,327**	519,953	560,206	**496,869**	411,443	456,625
Stationery, supplies and postage	**276,370**	237,994	225,425	**188,921**	166,250	160,711
Repairs and maintenance	**284,660**	228,331	184,686	**231,336**	180,287	154,317
Miscellaneous (Notes 22 and 30)	**3,712,287**	2,923,617	3,020,097	**3,295,500**	2,657,273	2,604,268
TOTAL OPERATING EXPENSES	**34,063,844**	28,283,328	33,366,962	**26,853,833**	21,905,812	27,143,644
INCOME BEFORE INCOME TAX	**31,425,001**	25,808,127	22,285,462	**31,037,823**	25,309,328	21,969,492
PROVISION FOR INCOME TAX (Note 28)	**6,613,822**	3,789,903	3,149,662	**6,234,549**	3,298,538	2,861,988
NET INCOME	**₱24,811,179**	₱22,018,224	₱19,135,800	**₱24,803,274**	₱22,010,790	₱19,107,504
Attributable to:						
Equity holders of the Parent Company (Note 33)	**₱24,803,274**	₱22,010,790	₱19,107,504			
Non-controlling interest	**7,905**	7,434	28,296			
	₱24,811,179	₱22,018,224	₱19,135,800			
Basic/Diluted Earnings Per Share (Note 33)	**₱9.22**	₱8.18	₱7.10			

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			
	2024	2023	2022	**2024**	2023	2022
NET INCOME	**₱24,811,179**	₱22,018,224	₱19,135,800	**₱24,803,274**	₱22,010,790	₱19,107,504
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	**386,413**	2,068,782	(4,129,185)	**480,259**	2,102,503	(4,020,071)
Gain taken to profit or loss (Note 22)	**(908,639)**	(326,063)	(3,465)	**(909,820)**	(326,063)	(3,465)
Changes in cumulative translation adjustment						
Translation gain (loss) for the year	**(148,352)**	68,446	(140,939)	**(178,749)**	(12,931)	(176,458)
Loss taken to profit or loss	**32,228**	94,425	151,412	**32,228**	94,425	151,412
Changes in hedge-related reserves						
Fair value gain (loss) for the year, net of tax	**(14,585,803)**	(9,230,004)	4,878,739	**(14,585,803)**	(9,230,004)	4,878,739
Loss (gain) taken to profit or loss (Note 26)	**13,704,884**	4,994,206	(373,582)	**13,704,884**	4,994,206	(373,582)
Share in changes in fair value of financial assets at FVOCI of an associate (Note 11)	**(3,375)**	140,244	(213,444)	**(3,375)**	140,244	(213,444)
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11):						
Net unrealized loss on debt financial assets at FVOCI	–	–	–	**(92,648)**	(34,263)	(107,021)
Cumulative translation adjustment	–	–	–	**30,306**	81,508	34,911
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	**(113,041)**	997,698	(31,217)	**(208,891)**	907,229	(16,777)
Remeasurement gain on defined benefit asset, net of tax (Note 25)	**1,031,580**	14,615	103,494	**1,019,766**	66,050	114,308
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11):						
Net unrealized gain (loss) on equity financial assets at FVOCI	–	–	–	**95,812**	90,434	(14,374)
Remeasurement gain (loss) on defined benefit plan	–	–	–	**11,786**	(51,269)	(10,751)
Share in changes in other comprehensive income of an associate (Note 11)						
Remeasurement gain (loss) on life insurance reserves	**(13,596)**	(4,284)	110,416	**(13,596)**	(4,284)	110,416
Remeasurement gain (loss) on defined benefit plan	**8,549**	(4,326)	4,693	**8,549**	(4,326)	4,693
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	**(609,152)**	(1,186,261)	356,922	**(609,292)**	(1,186,541)	358,536
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**₱24,202,027**	₱20,831,963	₱19,492,722	**₱24,193,982**	₱20,824,249	₱19,466,040
Total comprehensive income attributable to:						
Equity holders of the Parent Company	**₱24,193,982**	₱20,824,249	₱19,466,040			
Non-controlling interest	**8,045**	7,714	26,682			
	₱24,202,027	₱20,831,963	₱19,492,722			

See accompanying Notes to Financial Statements.

CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Consolidated													
		Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock (Note 24)	**Capital Paid in Excess of Par Value** (Note 24)	**Other Equity - Stock Grants** (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)	**Remeasurement Gain (Loss) on Defined Benefit Asset or Liability** (Note 25)	**Cumulative Translation Adjustment**	**Remeasurement Gain (Loss) on Life Insurance Reserves**	**Cash Flow Hedge Reserve**	**Total Equity**	**Non- Controlling Interest** (Note 11)	**Total Equity**
Balance at January 1, 2024	**₱26,913,403**	**₱17,201,513**	**₱–**	**₱5,003,653**	**₱100,900,465**	**(₱1,413,868)**	**₱88,215**	**₱190,471**	**₱92,103**	**₱1,246,194**	**₱150,222,149**	**₱76,252**	**₱150,298,401**
Total comprehensive income (loss) for the year	–	–	–	–	**24,803,274**	**(638,661)**	**1,040,100**	**(116,215)**	**(13,597)**	**(880,919)**	**24,193,982**	**8,045**	**24,202,027**
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)**	–	–	–	–	–	**(5,920,949)**	–	**(5,920,949)**
Balance at December 31, 2024	**₱26,913,430**	**₱17,201,647**	**₱–**	**₱7,700,681**	**₱117,085,762**	**(₱2,052,529)**	**₱1,128,315**	**₱74,256**	**₱78,506**	**₱365,275**	**₱168,495,343**	**₱84,297**	**₱168,579,640**
Balance at January 1, 2023	₱26,912,882	₱17,200,758	₱–	₱4,923,115	₱84,083,661	(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072	₱68,538	₱134,578,610
Total comprehensive income (loss) for the year	–	–	–	–	22,010,790	2,880,084	10,455	163,002	(4,284)	(4,235,798)	20,824,249	7,714	20,831,963
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)	–	–	–	–	–	(5,113,448)	–	(5,113,448)
Balance at December 31, 2023	₱26,913,403	₱17,201,513	₱–	₱5,003,653	₱100,900,465	(₱1,413,868)	₱88,215	₱190,471	₱92,103	₱1,246,194	₱150,222,149	₱76,252	₱150,298,401
Balance at January 1, 2022	₱26,912,882	₱17,200,758	₱–	₱4,183,413	₱69,752,791	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964	₱41,856	₱119,122,820
Total comprehensive income (loss) for the year	–	–	–	–	19,107,504	(4,375,152)	108,249	9,865	110,416	4,505,158	19,466,040	26,682	19,492,722
Transfer from surplus to surplus reserves (Note 24)	–	–	–	47,383	(47,383)	–	–	–	–	–	–	–	–
Appropriation of retained earnings (Notes 16 and 24)	–	–	–	692,319	(692,319)	–	–	–	–	–	–	–	–
Cash dividends - ₱1.50 per share	–	–	–		(4,036,932)	–	–	–	–	–	(4,036,932)	–	(4,036,932)
Balance at December 31, 2022	₱26,912,882	₱17,200,758	₱–	₱4,923,115	₱84,083,661	(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072	₱68,538	₱134,578,610

See accompanying Notes to Financial Statements.

Parent Company

	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Other Equity - Stock Grants (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)	Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Hedge-related Reserve	Total Equity
Balance at January 1, 2024	**₱26,913,403**	**₱17,201,513**	**₱–**	**₱5,003,653**	**₱100,900,465**	**(₱1,413,868)**	**₱88,215**	**₱190,471**	**₱92,103**	**₱1,246,194**	**₱150,222,149**
Total comprehensive income (loss) for the year	–	–	–	–	**24,803,274**	**(638,661)**	**1,040,100**	**(116,215)**	**(13,597)**	**(880,919)**	**24,193,982**
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)**	–	–	–	–	–	**(5,920,949)**
Balance at December 31, 2024	**₱26,913,430**	**₱17,201,647**	**₱–**	**₱7,700,681**	**₱117,085,762**	**(₱2,052,529)**	**₱1,128,315**	**₱74,256**	**₱78,506**	**₱365,275**	**₱168,495,343**
Balance at January 1, 2023	₱26,912,882	₱17,200,758	₱–	₱4,923,115	₱84,083,661	(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072
Total comprehensive income (loss) for the year	–	–	–	–	22,010,790	2,880,084	10,455	163,002	(4,284)	(4,235,798)	20,824,249
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)	–	–	–	–	–	(5,113,448)
Balance at December 31, 2023	₱26,913,403	₱17,201,513	₱–	₱5,003,653	₱100,900,465	(₱1,413,868)	₱88,215	₱190,471	₱92,103	₱1,246,194	₱150,222,149
Balance at January 1, 2022	₱26,912,882	₱17,200,758	₱–	₱4,183,413	₱69,752,791	₱81,200	(₱30,489)	₱17,604	(₱14,029)	₱976,834	₱119,080,964
Total comprehensive income (loss) for the year	–	–	–	–	19,107,504	(4,375,152)	108,249	9,865	110,416	4,505,158	19,466,040
Transfer from surplus to surplus reserves (Note 24)	–	–	–	47,383	(47,383)	–	–	–	–	–	–
Appropriation of retained earnings (Notes 16 and 24)	–	–	–	692,319	(692,319)	–	–	–	–	–	–
Cash dividends - ₱1.50 per share	–	–	–		(4,036,932)	–	–	–	–	–	(4,036,932)
Balance at December 31, 2022	₱26,912,882	₱17,200,758	₱–	₱4,923,115	₱84,083,661	(₱4,293,952)	₱77,760	₱27,469	₱96,387	₱5,481,992	₱134,510,072

See accompanying Notes to Financial Statements.

CHINA BANKING CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	**₱31,425,001**	₱25,808,127	₱22,285,462	**₱31,037,823**	₱25,309,328	₱21,969,492
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	**2,288,054**	2,006,146	1,737,144	**1,731,314**	1,527,440	1,317,159
Provision for impairment and credit losses (Note 16)	**3,314,707**	1,246,003	9,012,633	**2,531,461**	208,011	7,427,202
Amortization of transaction costs and other non-cash movements on bonds payable (Note 18)	**10,693**	39,687	126,063	**10,693**	39,687	126,063
Securities gain on sale of financial assets at fair value through other comprehensive income and redemption of investment securities at amortized cost (Note 22)	**(908,170)**	(326,141)	(5,388)	**(909,351)**	(326,141)	(5,388)
Gain on sale of investment properties	**(436,903)**	(602,836)	(698,802)	**(230,875)**	(212,126)	(250,612)
Gain on asset foreclosure and dacion transactions (Note 13)	**(589,866)**	(419,748)	(145,801)	**(497,650)**	(373,936)	(181,624)
Share in net loss (income) of an associate (Notes 2 and 11)	**(757,363)**	(435,075)	(285,059)	**(757,363)**	(435,075)	(285,059)
Share in net income of subsidiaries (Notes 2 and 11)	**–**	–	–	**(2,762,351)**	(2,541,697)	(2,044,686)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	**2,328,533**	(8,903,707)	(2,582,059)	**2,390,092**	(9,127,487)	(3,120,918)
Loans and receivables	**(149,771,954)**	(74,905,013)	(102,457,363)	**(125,159,512)**	(50,916,599)	(79,216,499)
Other assets	**(3,037,582)**	231,340	9,378,000	**(1,336,108)**	783,343	8,866,423
Increase (decrease) in the amounts of:						
Deposit liabilities	**144,423,123**	120,808,878	203,054,780	**115,153,234**	91,156,185	177,199,669
Manager's checks	**(421,159)**	558,794	(303,937)	**64,861**	123,655	(170,250)
Accrued interest and other expenses	**583,933**	2,473,321	1,370,028	**374,401**	2,099,802	1,074,199
Other liabilities and derivative liabilities	**294,361**	(3,864,451)	6,843,231	**(1,319,531)**	(3,282,393)	7,274,719
Net cash generated from operations	**28,745,408**	63,715,325	147,328,932	**20,321,138**	54,031,997	139,979,890
Income taxes paid	**(5,532,996)**	(5,276,289)	(3,587,642)	**(4,834,970)**	(4,723,460)	(3,101,705)
Net cash provided by operating activities	**23,212,412**	58,439,036	143,741,290	**15,486,168**	49,308,537	136,878,185
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment and capitalized software (Note 12)	**(1,921,148)**	(1,565,674)	(2,064,403)	**(1,475,654)**	(1,144,703)	(1,612,437)
Investment securities at amortized cost	**(60,180,455)**	(85,060,985)	(185,997,437)	**(58,815,348)**	(83,791,451)	(182,910,629)
Financial assets at fair value through other comprehensive income	**(147,579,803)**	(65,309,075)	(21,195,283)	**(67,045,495)**	(54,353,741)	(20,927,405)
Proceeds from sale of:						
Financial assets at fair value through other comprehensive income	**120,322,054**	5,138,625	2,392,523	**39,540,570**	4,676,504	2,248,704
Investment properties	**1,100,170**	1,581,052	1,297,207	**484,941**	428,651	378,025
Bank premises, furniture, fixtures and equipment	**445,043**	537,764	144,493	**274,919**	277,589	5,174
Proceeds from maturity and redemption of investment securities at amortized cost	**46,216,969**	62,580,442	73,151,251	**45,794,969**	62,021,783	70,556,851
Cash dividends received from subsidiaries and associate (Note 11)	**160,000**	160,000	–	**210,000**	235,000	75,000
Capital infusion in a subsidiary	**–**	–	–	**–**	(1,000,000)	–
Net cash used in investing activities	**(41,437,170)**	(81,937,851)	(132,271,649)	**(41,031,098)**	(72,650,368)	(132,186,717)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	**568,797,606**	563,532,304	402,436,767	**568,797,606**	563,532,304	402,436,767
Settlement of bills payable	**(545,158,967)**	(548,623,126)	(403,994,487)	**(545,158,967)**	(548,623,126)	(403,994,487)
Payments of cash dividends (Note 24)	**(5,920,949)**	(5,113,448)	(4,036,932)	**(5,920,949)**	(5,113,448)	(4,036,932)

(Forward)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
Settlement of bonds payable (Note 18)	**(₱20,000,000)**	(₱8,322,167)	(₱15,000,000)	**(₱20,000,000)**	(₱8,322,167)	(₱15,000,000)
Payments of principal portion of lease liabilities (Note 27)	**(1,004,435)**	(665,311)	(467,208)	**(767,394)**	(444,547)	(263,672)
Net cash provided by (used in) financing activities	**(3,286,745)**	808,252	(21,061,860)	**(3,049,704)**	1,029,016	(20,858,324)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(21,511,503)**	(22,690,563)	(9,592,219)	**(28,594,634)**	(22,312,815)	(16,166,856)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	**15,998,094**	13,689,421	16,024,863	**13,041,135**	10,073,767	13,649,247
Due from Bangko Sentral ng Pilipinas (Note 7)	**84,595,973**	107,100,295	124,283,115	**73,156,991**	92,920,540	114,528,773
Due from other banks (Note 7)	**19,964,415**	13,614,609	10,694,312	**17,352,830**	12,347,169	9,897,264
Interbank Loans Receivable and SPURA (Note 8)	**34,720,250**	43,564,970	36,559,224	**31,075,654**	41,597,949	35,030,997
	155,278,732	177,969,295	187,561,514	**134,626,610**	156,939,425	173,106,281
CASH AND CASH EQUIVALENTS AT END 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

OPERATING CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	For Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
Interest received	**₱91,774,161**	₱77,684,904	₱55,046,301	**₱77,182,218**	₱65,838,503	₱46,629,590
Interest paid	**29,666,247**	23,792,369	10,491,895	**23,626,974**	19,502,833	9,166,498

See accompanying 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 480 local branches as of December 31, 2024 and 2023.

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 **2024**	Effective Percentages of Ownership 2023	Country of Incorporation and Place of Business	Principal Activities
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)	99.64%	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, 2024 and 2023.

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 instruments at fair value through profit or loss (FVTPL), derivative contracts designated as hedges 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).

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.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to PFRS which became effective as of January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Except as otherwise indicated, these changes in the accounting policies did not have any impact on the consolidated financial statements of the Group:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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 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 are translated at the BAP weighted average rate for the year. 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 instruments at FVTPL, derivative contracts designated as hedges, 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 'Gains (losses) 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 profit or loss 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.

Reclassification
The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. A change in business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

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).

Interbank Offered Rate (IBOR) reform Phase 2 provides temporary reliefs that allow the Parent Company's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an alternative risk-free rate (RFR). The reliefs require the Parent Company to amend the hedge designations and hedge documentation. Under one of the reliefs, the Parent Company may elect RFRs to be deemed as meeting the PFRS 9 requirement to be separately identifiable components of the hedged item. In view of the reliefs, the Parent Company has amended its hedge documentations and deemed Secured Overnight Financing Rate (SOFR) to be "separately identifiable" risk component since the Parent Company has a reasonable expectation that the rate will meet the "separately identifiable" requirement within 24 months from its designation.

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, 2024 and 2023, 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, bonds 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 statement of financial position 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 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.

Sale (assignment)-and-leaseback transaction
In a sale (assignment)-and-leaseback transaction, a seller-lessee (assignor-lessee) transfers an asset to a buyer-lessor (assignee-lessor) and leases that asset back for a period of time. In accounting for sale (assignment)-and-leaseback transactions where the Parent Company is the buyer-lessor (assignee-lessor), the Parent Company first determines whether the initial transfer of the underlying asset from the seller-lessee (assignor-lessee) to the Parent Company is a sale in accordance with PFRS 15.

PFRS 15 requires an entity to satisfy the performance obligation by transferring a promised good or service (i.e., asset) to the customer. An asset is transferred when (or as) the customer obtains control of the asset. For the purpose of determining control in accordance with PFRS 15, a customer does not obtain control of such asset if the contract contains an option to purchase.

If the transfer of the asset meets the requirements for a “sale” in PFRS 15, then a sale has occurred and the transaction is accounted under PFRS 16’s lessor accounting requirements. Otherwise, there is no sale and the transaction is accounted for as a financing arrangement under PFRS 9

As of December 31, 2024 and 2023, the Parent Company has an assignment and leaseback transaction accounted for as a financial arrangement (Note 10).

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 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.

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 is 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.

<u>Earnings per Share</u>
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.

<u>Dividends on Common Shares</u>
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.

<u>Segment Reporting</u>
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.

<u>Fiduciary Activities</u>
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.

<u>Events after the Reporting Period</u>
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

There are new PFRSs, amendments, interpretation and annual improvements, to existing standards which are effective for annual periods subsequent to 2024. The Group will adopt the following relevant pronouncements in accordance with their transitional provisions when they become effective; and, unless otherwise stated, none of these are expected to have significant impact on the Group's financial statements:

Effective beginning on or after January 1, 2025

- 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 FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- 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.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

  The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Annual Improvements to PFRS Accounting Standards-Volume 11
  The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
    (a) Lessee Derecognition of Lease Liabilities
    The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

    (b) Transaction Price
    The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to 'transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*' with 'the amount determined by applying PFRS 15'. The term 'transaction price' in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

  - Amendments to PAS 7, *Cost Method*
    The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- 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. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

- 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. The application of the standard is optional for eligible entities.

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 2024, 2023, and 2022, 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.

In view of the IBOR reform Phase 2 reliefs, the Parent Company designated SOFR as the new hedged risk component for these hedging relationships to replace LIBOR starting July 1, 2023. The Parent Company deemed SOFR to be a separately identifiable risk component since the Parent Company has a reasonable expectation that the RFR will meet the "separately identifiable" requirement within 24 months from its designation. The adoption of transition changes in interest rate benchmark did not have a material impact on the Parent Company's hedges.

f. *Reassessment 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.

Prior to 2024, the CGU of the branch licenses is the individual branch where it is attributed. In 2024, the Parent Company implemented changes and internal reorganization within its RBB Segment. These changes include the synergistic approach in evaluating the performance of the branches and the consolidation of the corporate, commercial and SME lending from the RBB Segment to Institutional Banking Segment. In light of these changes, the Parent Company reassessed the identification of the CGU to which the branch licenses arising from various acquisitions are attributed. Accordingly, the CGU of the branch licenses is now attributed to the RBB Segment as a whole.

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 cash generating unit (CGU) to which the goodwill and branch licenses are attributed. The recoverable amount of the CGU 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 capital 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 CGU 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. Management discretion 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 service charge, fees, commissions, and trust activities.

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	
	2024	2023	**2024**	2023
Financial assets				
Cash and other cash items	**₱18,260,927**	₱15,998,094	**₱13,230,415**	₱13,041,135
Financial assets at FVTPL	**11,302,754**	13,631,287	**10,251,971**	12,642,063
Derivative contracts designated as hedges	**2,766,372**	3,946,553	**2,766,372**	3,946,553
Financial assets at FVOCI	**134,105,832**	106,541,487	**121,634,407**	93,826,436
Financial assets at amortized cost				
Due from BSP	**82,639,923**	84,595,973	**61,109,605**	73,156,991
Due from other banks	**12,540,230**	19,964,415	**11,365,807**	17,352,830
Interbank loans receivables and SPURA	**20,326,149**	34,720,250	**20,326,149**	31,075,654
Investment securities at amortized cost	**394,519,620**	380,461,421	**386,688,846**	373,567,542
Loans and receivables	**915,229,756**	771,991,759	**782,913,377**	663,182,149
Accrued interest receivable	**13,444,829**	11,464,932	**12,218,823**	10,382,588
Other assets (Note 15)	**5,171,276**	4,650,413	**2,419,445**	2,140,987
	1,443,871,783	1,307,849,163	**1,277,042,052**	1,170,858,741
Total financial assets	**₱1,610,307,668**	₱1,447,966,584	**₱1,424,925,217**	₱1,294,314,928

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Financial liabilities				
Other financial liabilities:				
Deposit liabilities	**₱1,331,146,678**	₱1,186,723,555	**₱1,165,727,988**	₱1,050,574,754
Bonds payable	**–**	19,989,307	**–**	19,989,307
Bills payable	**112,133,138**	84,798,489	**112,133,138**	84,798,489
Accrued interest and other expenses*	**8,648,040**	8,121,715	**7,526,483**	7,222,567
Manager's check	**1,688,304**	2,109,463	**1,484,625**	1,419,764
Other liabilities (Note 21)	**14,145,764**	15,298,017	**11,027,685**	12,784,282
	1,467,761,924	1,317,040,546	**1,297,899,919**	1,176,789,163
Financial liabilities at FVTPL:				
Derivative liabilities	**1,406,274**	938,722	**1,406,274**	938,722
Derivative contracts designated as hedges	**6,241,405**	8,049,417	**6,241,405**	8,049,417
Total financial liabilities	**₱1,475,409,603**	₱1,326,028,685	**₱1,305,547,598**	₱1,185,777,302

*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, 2024 and 2023, 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:

	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**

	2023			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱254,849,986	₱253,652,604	₱248,501,733	₱247,485,441
Private bonds	125,611,435	119,279,664	125,065,809	118,745,420
	380,461,421	372,932,268	373,567,542	366,230,861
Loans and receivables (Note 10)				
Corporate and commercial lending	579,165,319	562,274,548	566,077,609	547,527,290
Consumer lending	180,835,652	195,194,554	85,470,471	87,861,765
Trade-related lending	11,890,709	12,020,823	11,618,254	11,719,952
Others	100,079	117,817	15,815	17,831
	771,991,759	769,607,742	663,182,149	647,126,838
Sales contracts receivable (Note 15)	1,612,416	1,764,176	203,033	208,516
	773,604,175	771,371,918	663,385,182	647,335,354
	₱1,154,065,596	₱1,144,304,186	₱1,036,952,724	₱1,013,566,215
Non-financial Assets				
Investment properties (Note 13)				
Land	₱2,419,721	₱5,087,793	₱710,166	₱2,761,507
Buildings and improvements	1,516,391	2,819,037	1,027,404	1,206,243
	₱3,936,112	₱7,906,830	₱1,737,570	₱3,967,750
Financial Liabilities				
Time deposit liabilities (Note 17)	₱611,466,946	₱586,818,584	₱520,931,657	₱497,886,696
Bills payable (Note 19)	84,798,489	84,370,558	84,798,489	84,370,558
Bonds payable (Note 18)	19,989,307	19,989,307	19,989,307	19,989,307
	₱716,254,742	₱691,178,449	₱625,719,453	₱602,246,561

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.

Bonds payable and 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, 2024 and 2023, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	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**

	Consolidated			
	2023			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱650,086	₱7,536,794	₱–	₱8,186,880
Treasury notes	–	1,135,824	–	1,135,824
Treasury bills	–	772,482	–	772,482
Private bonds	1,252,276	–	–	1,252,276
Quoted equity shares	897,898	–	–	897,898
Financial assets designated at FVTPL	450,825	161,662	–	612,487
Derivative contracts not designated as hedges	–	773,440	–	773,440
Derivative contracts designated as hedges	–	3,946,553	–	3,946,553
Financial assets at FVOCI				
Government bonds	29,614,852	55,522,517	–	85,137,369
Quoted private bonds	19,774,579	–	–	19,774,579
Quoted equity shares	1,601,596	–	–	1,601,596
	₱54,242,112	₱69,849,272	₱–	₱124,091,384
Derivative liabilities	₱–	₱938,722	₱–	₱938,722
Derivative contracts designated as hedges	–	8,049,417	–	8,049,417
	₱–	₱8,988,139	₱–	₱8,988,139
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱253,652,604	₱–	₱–	₱253,652,604
Private bonds	63,038,700	–	56,240,963	119,279,663
Loans and receivables		–		
Corporate and commercial loans	–	–	562,274,548	562,274,548
Consumer loans	–	–	195,194,554	195,194,554
Trade-related loans	–	–	12,020,823	12,020,823
Others	–	–	117,817	117,817
Sales contracts receivable	–	–	1,764,176	1,764,176
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	5,087,793	5,087,793
Buildings and improvements	–	–	2,819,037	2,819,037
	₱316,691,304	₱–	₱835,519,711	₱1,152,211,015
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱586,818,584	₱586,818,584
Bills payable	–	–	84,370,558	84,370,558
Bonds payable	–	–	19,989,307	19,989,307
	₱–	₱–	691,178,449	₱691,178,449

	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**

(Forward)

	Parent Company			
	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
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**
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	**₱257,309,393**	**₱–**	**₱–**	**₱257,309,393**
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**
	₱325,885,055	**₱–**	**₱786,055,156**	**₱1,111,940,211**
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	**₱–**	**₱–**	**₱603,521,643**	**₱603,521,643**
Bills payable	**–**	**–**	**112,125,646**	**112,125,646**
	₱–	**₱–**	**₱715,647,289**	**₱715,647,289**

	Parent Company			
	2023			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱599,186	₱7,536,794	₱–	₱8,135,980
Treasury notes	–	1,135,824	–	1,135,824
Treasury bills	–	772,482	–	772,482
Private bonds	1,252,276	–	–	1,252,276
Quoted equity shares	572,061	–	–	572,061
Derivative contracts not designated as hedges	–	773,440	–	773,440
Derivative contracts designated as hedges	–	3,946,553	–	3,946,553
Financial assets at FVOCI				
Government bonds	17,102,362	55,522,516	–	72,624,878
Quoted private bonds	19,686,382	–	–	19,686,382
Quoted equity shares	1,495,421	–	–	1,495,421
	₱40,707,688	₱69,687,609	₱–	₱110,395,297
Derivative liabilities	₱–	₱938,722	₱–	₱938,722
Derivative contracts designated as hedge	–	8,049,417	–	8,049,417
	₱–	₱8,988,139	₱–	₱8,988,139

(Forward)

	Parent Company			
	2023			
	Level 1	Level 2	Level 3	Total
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱247,485,441	₱–	₱–	₱247,485,441
Private bonds	62,504,457	–	56,240,963	118,745,420
Loans and receivables				
Corporate and commercial loans	–	–	547,527,290	547,527,290
Consumer loans	–	–	87,861,765	87,861,765
Trade-related loans	–	–	11,719,952	11,719,952
Others	–	–	17,831	17,831
Sales contracts receivable	–	–	208,516	208,516
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	2,761,507	2,761,507
Buildings and improvements	–	–	1,206,243	1,206,243
	₱309,989,898	₱–	₱707,544,067	₱1,017,533,965
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱497,886,696	₱497,886,696
Bills payable	–	–	84,370,558	84,370,558
Bonds payable	–	–	19,989,307	19,989,307
	₱–	₱–	602,246,561	602,246,561

There were no transfers into and out of Level 3 fair value measurements in 2024 and 2023.

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 and is a resource of the Credit Committee (CreCom), Asset-Liability Committee (ALCO), Operations Committee (OpsCom) and Technology Steering Committee (TSC). 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, hold limit exceptions, 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 Operational Risk Assessment

Program and IT Risk Frameworks require the Parent Company to undergo periodic operational risk assessment and for all business units & allied businesses to conduct risk and control self-assessments. These enable determination of priority risk areas, assessment of mitigating controls in place, and institutionalization of additional measures to ensure both a controlled operating environment and proper handling of IT risk exposures. RMG maintains and updates the Parent Company's Centralized Loss Database wherein all reported incidents of losses shall be encoded to enable assessment of weaknesses in the processes and come up with viable improvements to avoid recurrence.

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 (Ambit Focus system).

As part of monitoring and controlling risks, the Bank uses the Internal Capital Adequacy Assessment Process (ICAAP) to determine its minimum required capital relative to its business risk exposures. This is done on an annual basis, with the latest document approved by the Board on April 3, 2024.

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 its annually-updated ICAAP document, in compliance with BSP requirements, on March 27, 2024.

Business Continuity Management

In the aftermath of the pandemic in the past three years, the Group has built its business resilience around policies that would ensure that the Group is able to service and respond to the requirements of its clients, to perform its functions as a Domestic Systemically Important Bank (DSIB), and to continue to fulfill the transaction cycle in its operations.

The Group implemented "The New Normal Work Force and Work Management Plan for the COVID-19 Pandemic" to provide general direction and guidance in sustaining the operations of the Group through the pandemic. The plan put in place health and safety protocols which along with the implementation of the buddy branch system ensured the uninterrupted delivery of services. On April 1, 2022, select personnel from Head Office and subsidiaries were transferred to the SM Mega Tower extension office providing the different business units with the capacity of splitting their teams and operate in two different sites to make certain that the services continue in the event of business interruptions brought about by a pandemic or similar occurrence. Changes in the processes of business units arising from the implementation of the plan and the establishment of the extension office are continuously updated and incorporated in the risk and control self-assessment and business impact analysis tools to reflect the changes in the risk profile. Appropriate measures are also updated and implemented in light of these changes.

Credit Risk

Credit risk is the risk of financial loss on account of a counterparty to a financial product failing to honor its debt obligation. The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (i.e., investment securities issued by either sovereign or corporate entities), or enters into either market-traded or over-the-counter derivatives, through implied or actual contractual agreements (i.e., on or off-balance sheet exposures). The Group manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual credit or transaction).

The Group established risk limits and thresholds for purposes of monitoring and managing credit risk from individual counterparties and/or groups of counterparties, major industries, as well as countries. It also conducts periodic assessment of the creditworthiness of its counterparties. In addition, the Group obtains collateral where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures.

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 Group has implemented a risk rating system designed to specifically assess Philippine universal, commercial, thrift, 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 was introduced this year.

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. 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
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular industry or geographical location.

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, 2024 and 2023 (in millions) follows:

	Consolidated					
	2024			2023		
	Assets*	**Liabilities**	**Commitments****	Assets*	Liabilities	Commitments**
Geographic Region						
Philippines	**₱1,531,076**	**₱1,422,634**	**₱58,977**	₱1,358,418	₱1,232,543	₱49,617
Asia	**20,949**	**28,466**	**5,646**	23,093	38,861	5,356
Europe	**38,827**	**23,391**	**1,147**	60,628	48,048	884
United States	**19,438**	**919**	**106**	5,808	6,577	380
Others	**18**	**–**	**63**	20	–	25
	₱1,610,308	**₱1,475,410**	**₱65,939**	₱1,447,967	₱1,326,029	₱56,262

**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					
	2024			2023		
	Assets*	**Liabilities**	**Commitments****	Assets*	Liabilities	Commitments**
Geographic Region						
Philippines	**₱1,345,693**	**₱1,252,772**	**₱56,644**	₱1,204,766	₱1,092,291	₱47,927
Asia	**20,949**	**28,466**	**5,646**	23,093	38,861	5,356
Europe	**38,827**	**23,391**	**1,147**	60,628	48,048	884
United States	**19,438**	**919**	**106**	5,808	6,577	380
Others	**18**	**–**	**63**	20	–	25
	₱1,424,925	**₱1,305,548**	**₱63,606**	₱1,294,315	₱1,185,777	₱54,572

**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				
	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.*

	Consolidated				
	2023				
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱102,574,807	₱358,511,818	₱139,280,638	₱27,994,387	₱628,361,650
Real estate, renting and business services	214,867,430	73,914,541	–	251,629	289,033,600
Electricity, gas and water	100,637,828	26,290,258	–	2,478,533	129,406,619
Manufacturing	61,807,926	1,376,321	–	10,101,234	73,285,481
Wholesale and retail trade	50,624,655	–	–	9,357,281	59,981,936
Transportation, storage and communication	54,284,111	3,738,632	–	294,604	58,317,347
Arts, entertainment and recreation	48,962,012	4,225,784	–	23,026	53,210,822
Accommodation and food service activities	10,171,827	5,104,470	–	1,501,915	16,778,212
Mining and quarrying	12,439,631	–	–	5,579	12,445,210
Construction	11,193,782	–	–	2,027,527	13,221,309
Professional, scientific and technical activities	1,873,140	9,365,392	–	170,436	11,408,968
Agriculture	8,608,120	–	–	56,655	8,664,775
Education	3,986,419	568,000	–	74,924	4,629,343
Public administration and defense	192,985	–	–	225,841	418,826
Others***	108,770,565	17,307,055	–	1,698,302	127,775,922
	₱790,995,238	₱500,402,271	₱139,280,638	₱56,261,873	₱1,486,940,020

** 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.*

	Parent Company				
	2023				
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱102,372,440	₱339,406,237	₱121,585,475	₱28,015,283	₱591,379,435
Real estate, renting and business services	183,890,538	73,457,967	–	208,233	257,556,738
Electricity, gas and water	98,999,202	26,006,043	–	2,462,283	127,467,528
Transportation, storage and communication	60,053,892	1,376,321	–	10,030,990	71,461,203
Wholesale and retail trade	48,457,409	–	–	9,124,413	57,581,822
Arts, entertainment and recreation	52,973,021	3,735,585	–	284,782	56,993,388
Manufacturing	48,930,795	4,201,284	–	22,606	53,154,685
Accommodation and food service activities	9,605,482	5,035,594	–	1,501,915	16,142,991
Construction	12,435,720	–	–	5,579	12,441,299
Mining and quarrying	10,449,504	–	–	1,998,677	12,448,181
Professional, scientific and technical activities	1,795,656	9,365,392	–	170,436	11,331,484
Agriculture	6,065,522	–	–	48,655	6,114,177
Education	3,637,883	450,000	–	74,924	4,162,807
Public administration and defense	192,985	–	–	225,841	418,826
Others***	38,088,866	16,763,625	–	397,661	55,250,152
	₱677,948,915	₱479,798,048	₱121,585,475	₱54,572,278	₱1,333,904,716

** 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		
	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**

	Consolidated		
	2023		
	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	₱771,991,759	₱501,265,255	₱270,726,504
Interbank loans receivable and SPURA	34,720,250	22,088,980	12,631,270
Sales contracts receivable	1,612,416	–	1,612,416
	₱808,324,425	₱523,354,235	₱284,970,190

	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**

	Parent Company		
	2023		
	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	₱663,182,149	₱444,929,488	₱218,252,661
Interbank loans receivable and SPURA	31,075,654	22,088,980	8,986,674
Sales contracts receivable	203,033	–	203,033
	₱694,460,836	₱467,018,468	₱227,442,368

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱483.22 billion and ₱3.47 billion, respectively, as of December 31, 2024 and ₱521.73 billion and ₱3.09 billion, respectively, as of December 31, 2023.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱428.07 billion and ₱0.76 billion, respectively, as of December 31, 2024 and ₱469.26 billion and ₱0.64 billion, respectively, as of December 31, 2023.

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 obligations supported by robust financials (i.e., profitable, with returns considerably higher than the industry, 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 and/or excellent training and development programs.

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 and sufficient experience in similar companies. In terms of growth potential, it is engaged 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	**2024**			
	ECL Staging			
Corporate and commercial lending	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
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			
	ECL Staging			
Consumer Lending	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
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	**₱320**	**₱–**	**₱–**	**₱320**
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	**₱11,150**	**₱108**	**₱–**	**₱11,258**

Consolidated	2024			
	ECL Staging			
Others	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Neither past due nor impaired				
High grade	**₱133**	**₱–**	**₱–**	**₱133**
Standard grade	**27**	**–**	**–**	**27**
Sub-Standard	**–**	**1**	**–**	**1**
Unrated	**20**	**–**	**–**	**20**
Past due but not impaired	**–**	**1**	**–**	**1**
Impaired	**–**	**–**	**3**	**3**
Gross carrying amount	**₱180**	**₱2**	**₱3**	**₱185**

Consolidated	2024			
	ECL Staging			
Loans and receivables – total	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Neither past due nor impaired				
High grade	**₱90,855**	**₱89**	**₱–**	**₱90,944**
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	**₱864,044**	**₱53,492**	**₱15,538**	**₱933,074**

Consolidated	2023			
	ECL Staging			
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱42,146	₱179	₱–	₱42,325
Standard grade	347,082	7,095	–	354,177
Sub-Standard	137,574	44,935	–	182,509
Unrated	1,264	41	–	1,305
Past due but not impaired	–	1,833	–	1,833
Impaired	–	–	15,763	15,763
Gross carrying amount	₱528,066	₱54,083	₱15,763	₱597,912

Consolidated	2023			
	ECL Staging			
Consumer Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱21,599	₱17	₱–	₱21,616
Standard grade	131,145	5,129	–	136,274
Sub-Standard	3,958	7,590	–	11,548
Unrated	1,451	1,284	–	2,735
Past due but not impaired	–	3,406	–	3,406
Impaired	–	–	5,205	5,205
Gross carrying amount	₱158,153	₱17,426	₱5,205	₱180,784

Consolidated	2023			
	ECL Staging			
Trade-related Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱1,615	₱–	₱–	₱1,615
Standard grade	4,095	11	–	4,106
Sub-Standard	6,087	128	–	6,215
Unrated	–	–	–	–
Past due but not impaired	–	–	–	–
Impaired	–	–	261	261
Gross carrying amount	₱11,797	₱139	₱261	₱12,197

Consolidated	2023			
	ECL Staging			
Others	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱43	₱–	₱–	₱43
Standard grade	22	–	–	22
Sub-Standard	–	5	–	5
Unrated	15	–	–	15
Past due but not impaired	–	–	–	–
Impaired	–	–	17	17
Gross carrying amount	₱80	₱5	₱17	₱102

Consolidated	2023			
	ECL Staging			
Loans and receivables – total	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱65,403	₱196	₱–	₱65,599
Standard grade	482,344	12,235	–	494,579
Sub-Standard	147,619	52,658	–	200,277
Unrated	2,730	1,325	–	4,055
Past due but not impaired	–	5,239	–	5,239
Impaired	–	–	21,246	21,246
Gross carrying amount	₱698,096	₱71,653	₱21,246	₱790,995

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**

Parent Company	2023			
	ECL Staging			
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱41,128	₱179	₱–	₱41,307
Standard grade	339,965	7,095	–	347,060
Sub-Standard	137,574	42,129	–	179,703
Unrated	1,264	41	–	1,305
Past due but not impaired	–	1,248	–	1,248
Impaired	–	–	13,029	13,029
Gross carrying amount	₱519,931	₱50,692	₱13,029	₱583,652

Parent Company	2023			
	ECL Staging			
Consumer Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱104	₱17	₱–	₱121
Standard grade	58,788	5,129	–	63,917
Sub-Standard	3,958	7,590	–	11,548
Unrated	1,451	1,284	–	2,735
Past due but not impaired	–	861	–	861
Impaired	–	–	3,186	3,186
Gross carrying amount	₱64,301	₱14,881	₱3,186	₱82,368

Parent Company	2023			
	ECL Staging			
Trade-related Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱1,339	₱–	₱–	₱1,339
Standard grade	4,095	3	–	4,098
Sub-Standard	6,087	128	–	6,215
Unrated	–	–	–	–
Past due but not impaired	–	–	–	–
Impaired	–	–	261	261
Gross carrying amount	₱11,521	₱131	₱261	₱11,913

Parent Company	2023			
	ECL Staging			
Others	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱–	₱–	₱–	₱–
Standard grade	–	–	–	–
Sub-Standard	–	–	–	–
Unrated	16	–	–	16
Past due but not impaired	–	–	–	–
Impaired	–	–	–	–
Gross carrying amount	₱16	₱–	₱–	₱16

Parent Company	2023			
	ECL Staging			
Loans and receivables – total	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱42,571	₱196	₱–	₱42,767
Standard grade	402,848	12,227	–	415,075
Sub-Standard	147,619	49,847	–	197,466
Unrated	2,731	1,325	–	4,056
Past due but not impaired	–	2,109	–	2,109
Impaired	–	–	16,476	16,476
Gross carrying amount	₱595,769	₱65,704	₱16,476	₱677,949

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.

Beginning December 31, 2024, the Group has classified as High Grade all Philippine Peso-denominated exposures to the Philippine National Government and the Bangko Sentral ng Pilipinas in line with their treatment in the Capital Adequacy Ratio (CAR) Report, which prescribes a zero percent (0%) risk weight for these exposures. The Group's and the Parent Company's comparative tables as of December 31, 2023 have been updated to reflect this change in credit quality classification resulting to an increase of ₱250.18 billion and ₱199.02 billion, respectively, for "Investment securities at amortized cost", ₱59.66 billion and ₱55.52 billion, respectively, for "Financial assets at FVOCI (debt securities)", ₱97.23 billion and ₱82.14 billion, respectively, for "Depository accounts with the BSP and counterparty banks" and ₱9.45 billion and ₱9.45 billion, respectively, for "Financial assets at FVTPL" in the 'High Grade' category, with a corresponding decrease of the same amounts in the 'Standard Grade' category.

For counterparties without an external rating, the credit quality is assessed using the Bank'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 Ca	BB+/BB/BB− B+/B/B− CCC+/CCC /CCC− CC C	BB+/BB/BB− B+/B/B− CCC+/CCC /CCC− CC C

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.

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.

Impaired
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−,

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

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		**2024**				2023		
Investment securities	**ECL Staging**				ECL Staging			
at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired								
High grade	**₱268,488**	**₱–**	**₱–**	**₱268,488**	₱255,215	₱–	₱–	₱255,215
Standard grade	**118,472**	**1,505**	**–**	**119,977**	102,812	5,274	–	108,086
Sub-Standard	**4,281**	**–**	**–**	**4,281**	14,858	–	–	14,858
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱391,241**	**₱1,505**	**₱–**	**₱392,746**	₱372,885	₱5,274	₱–	₱378,159

Consolidated		**2024**				2023		
Financial assets at FVOCI	**ECL Staging**				ECL Staging			
(debt securities)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired								
High grade	**₱96,471**	**₱–**	**₱–**	**₱96,471**	₱ 64,070	₱–	₱–	₱64,070
Standard grade	**32,496**	**–**	**–**	**32,496**	38,183	1,051	–	39,234
Sub-Standard	**568**	**–**	**–**	**568**	1,608	–	–	1,608
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱129,535**	**₱–**	**₱–**	**₱129,535**	₱103,861	₱1,051	₱–	₱104,912

Parent Company		**2024**				2023		
Investment securities	**ECL Staging**				ECL Staging			
at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired								
High grade	**₱261,213**	**₱–**	**₱–**	**₱261,213**	₱249,064	₱–	₱–	₱249,064
Standard grade	**118,144**	**1,505**	**–**	**119,649**	102,266	5,274	–	107,540
Sub-Standard	**4,281**	**–**	**–**	**4,281**	14,858	–	–	14,858
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱383,638**	**₱1,505**	**₱–**	**₱385,143**	₱366,188	₱5,274	₱–	₱371,462

Parent Company	**2024**				2023			
Financial assets at FVOCI	**ECL Staging**				ECL Staging			
(debt securities)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired								
High grade	**₱85,399**	**₱–**	**₱–**	**₱85,399**	₱59,799	₱–	₱–	₱59,799
Standard grade	**31,307**	**–**	**–**	**31,307**	29,853	1,051	–	30,904
Sub-Standard	**568**	**–**	**–**	**568**	1,608	–	–	1,608
Unrated	**–**	**–**	**–**	**–**	–	–	–	–
Past due but not impaired	**–**	**–**	**–**	**–**	–	–	–	–
Impaired	**–**	**–**	**–**	**–**	–	–	–	–
Gross carrying amount	**₱117,274**	**₱–**	**₱–**	**₱117,274**	₱91,260	₱1,051	₱–	₱92,311

Consolidated	**2024**				
	High Grade	**Standard Grade**	**Sub-Standard Grade**	**Unrated**	**Total**
Due from BSP*	**₱82,640**	**₱–**	**₱–**	**₱–**	**₱82,640**
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**
	₱103,192	**₱23,116**	**₱492**	**₱9**	**₱126,809**

**These financial assets are classified as Stage 1.*

Parent Company	**2024**				
	High Grade	**Standard Grade**	**Sub-Standard Grade**	**Unrated**	**Total**
Due from BSP*	**₱61,110**	**₱–**	**₱–**	**₱–**	**₱ 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**
	₱80,179	**₱22,383**	**₱492**	**₱–**	**₱103,054**

**These financial assets are classified as Stage 1.*

Consolidated	2023				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	₱84,596	₱–	₱–	₱–	₱84,596
Due from other banks*	3,871	16,082	–	11	19,964
Interbank loans receivable and SPURA*	34,720	–	–	–	34,720
Financial assets at FVTPL	11,440	1,739	452	–	13,631
	₱134,627	₱17,821	₱452	₱11	₱152,911

**These financial assets are classified as Stage 1.*

Parent Company	2023				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	₱73,157	₱–	₱–	₱–	₱73,157
Due from other banks*	3,330	14,020	–	3	17,353
Interbank loans receivable and SPURA*	31,076	–	–	–	31,076
Financial assets at FVTPL	10,502	1,688	452	–	12,642
	₱118,065	₱15,708	₱452	₱3	₱134,228

**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, 2024 and 2023:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Loans and advances to customers				
Corporate and commercial lending	**₱18,633,032**	₱7,454,119	**₱17,632,573**	₱7,003,118
Consumer lending	**836,401**	1,049,702	**788,529**	1,007,035
Total restructured financial assets	**₱19,469,433**	₱8,503,821	**₱18,421,102**	₱8,010,153

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 unlikeliness 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:

	Interest Rate[1]	Foreign Exchange[2]	Price[3]	Interest Rate[4]	Interest Rate[5]
			(In Millions)		
2024					
31 December	**₱60.69**	**₱28.15**	**₱–**	**₱11.18**	**₱13.75**
Average daily	**92.01**	**30.98**	**32.89**	**14.80**	**1.99**
Highest	**188.07**	**110.61**	**34.01**	**31.55**	**14.21**
Lowest	**24.68**	**3.77**	**31.99**	**5.03**	**0.06**
2023					
31 December	₱44.59	₱1.94	₱31.99	₱9.85	₱2.45
Average daily	54.31	39.88	35.23	10.26	2.16
Highest	111.63	144.42	41.34	17.44	3.94
Lowest	16.70	1.94	24.65	5.17	0.004

[1] Interest rate VaR for debt securities (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] Price VaR for equity securities and futures
[4] Interest rate VaR for FX swaps and FX forwards
[5] 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, 2024 and 2023, 62.41% and 57.86% of the Group's total loan portfolio, respectively, comprised 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, 2024 and 2023, 68.12% and 62.18% of the Parent'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, 2024 and 2023:

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
Peso				
Assets				
Due from BSP	**1.22%**	1.68%	**0.48%**	0.81%
Due from banks	**0.08%**	0.09%	**0.04%**	0.04%
Interbank loans receivable and SPURA	**4.26%**	5.20%	**4.26%**	5.20%
Investment securities*	**5.76%**	5.60%	**5.74%**	5.63%
Loans and receivables	**7.63%**	7.22%	**7.16%**	6.71%
Liabilities				
Deposit liabilities	**2.53%**	2.42%	**2.17%**	2.19%
Bills payable	**7.50%**	–	**7.50%**	–
Bonds payable	**2.32%**	2.74%	**2.32%**	2.74%
USD				
Due from banks	**1.70%**	2.44%	**1.66%**	2.44%
Interbank loans receivable and SPURA	**5.21%**	5.06%	**5.21%**	5.06%
Investment securities*	**4.36%**	4.08%	**4.38%**	4.10%
Loans and receivables	**5.42%**	5.37%	**5.42%**	5.37%
Liabilities				
Deposit liabilities	**1.17%**	0.73%	**1.17%**	0.73%
Bills payable	**3.99%**	4.22%	**3.99%**	4.22%

** 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 Parent Company as of December 31, 2024 and 2023 (in millions):

	Consolidated							
	2024				2023			
	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)	**₱80,828**	**₱–**	**₱1,812**	**₱82,640**	₱81,776	₱–	₱2,820	₱84,596
Due from other banks (Note 7)	**12,540**	**–**	**–**	**12,540**	19,964	–	–	19,964
Interbank loans receivable and SPURA (Note 8)	**20,326**	**–**	**–**	**20,326**	34,720	–	–	34,720
Investment securities (Note 9)	**30,668**	**33,180**	**478,846**	**542,694**	33,536	21,656	443,812	499,004
Loans and receivbles (Note 10)	**355,548**	**245,920**	**313,762**	**915,230**	282,121	173,652	316,219	771,992
Total financial assets	**499,910**	**279,100**	**794,420**	**1,573,430**	452,117	195,308	762,851	1,410,276
Financial Liabilities								
Deposit liabilities	**577,992**	**146,171**	**606,983**	**1,331,147**	448,556	146,122	592,046	1,186,724
Bills payable (Note 19)	**65,181**	**46,662**	**290**	**112,133**	54,163	19,446	11,189	84,798
Bonds payable (Note 18)	**–**	**–**	**–**	**–**	19,989	–	–	19,989
Total financial liabilities	**643,173**	**192,833**	**607,274**	**1,443,280**	522,708	165,568	603,235	1,291,511
Hedge Receive	**284,228**	**69,850**	**985**	**355,063**	189,870	85,373	1,232	276,475
Hedge Pay	**252,875**	**73,033**	**35,777**	**361,685**	133,005	116,662	34,546	284,213
Repricing gap	**(₱111,910)**	**₱83,084**	**₱152,356**	**₱123,528**	(₱13,726)	(₱1,549)	₱126,302	₱111,027

	Parent Company							
	2024				2023			
	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)	**₱61,110**	**₱–**	**₱–**	**₱61,110**	₱73,157	₱–	₱–	₱73,157
Due from other banks (Note 7)	**11,366**	**–**	**–**	**11,366**	17,353	–	–	17,353
Interbank loans receivable and SPURA (Note 8)	**20,326**	**–**	**–**	**20,326**	31,076	–	–	31,076
Investment securities (Note 9)	**26,987**	**27,628**	**466,727**	**521,342**	25,375	18,534	434,612	478,521
Loans and receivables (Note 10)	**347,783**	**168,178**	**266,952**	**782,913**	277,318	130,565	255,299	663,182
Total financial assets	**467,572**	**195,806**	**733,679**	**1,397,057**	424,279	149,099	689,911	1,263,289

(Forward)

	Parent Company							
	2024				2023			
	Up to 3 Months	**>3 to 12 Months**	**>12 Months**	**Total**	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Liabilities								
Deposit liabilities	**₱526,057**	**₱92,514**	**₱547,157**	**₱1,165,728**	₱402,980	₱111,143	₱536,452	₱1,050,575
Bills payable (Note 19)	**65,181**	**46,662**	**290**	**112,133**	54,163	19,446	11,189	84,798
Bonds payable (Note 18)	**–**	**–**	**–**	**–**	19,989	–	–	19,989
Total financial liabilities	**591,238**	**139,176**	**547,447**	**1,277,861**	477,132	130,589	547,641	1,155,362
Hedge Receive	**284,228**	**69,850**	**985**	**355,063**	189,870	85,373	1,232	276,475
Hedge Pay	**252,875**	**73,033**	**35,777**	**361,685**	133,005	116,662	34,546	284,213
Repricing gap	**(₱92,313)**	**₱53,447**	**₱151,440**	**₱112,574**	₱4,012	(₱12,779)	₱108,956	₱100,189

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 Parent Company's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2024 and 2023 (in millions):

	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%**

	Consolidated			
	2023			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	(₱98)	(₱49)	₱49	₱98
As a percentage of the Group's net interest income for the year ended December 31, 2023	(0.18%)	(0.09%)	0.09%	0.18%

	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%**

	Parent Company			
	2023			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	(₱6)	(₱3)	₱3	₱6
As a percentage of the Parent Company's net interest income for the year ended December 31, 2023	(0.01%)	(0.01%)	0.01%	0.01%

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, 2024 and 2023 (in millions):

	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**

	Consolidated			
	2023			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱44)	(₱17)	₱17	₱44
Change in equity	(1,416)	(566)	566	1,416

	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**

	Parent Company			
	2023			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱42)	(₱17)	₱17	₱42
Change in equity	(1,342)	(537)	537	1,342

As of July 1, 2023, all IBOR-related exposures of the Parent Company have transitioned to the RFR and the transition resulted to a net decrease in the fair value of derivative assets (net) amounting to ₱47.07 million.

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							
	2024				2023			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	**$5,544**	**$5,804**	**$11,348**	**₱670,494**	$383	$8,299	$8,682	₱480,703
Due from other banks	**100,264**	**9,009**	**109,273**	**6,320,886**	58,388	8,367	66,755	3,696,213
Financial assets at FVTPL	**171**	**70**	**241**	**13,946**	–	1,497	1,497	82,936
Investment securities at amortized cost	**–**	**25,057**	**25,057**	**1,449,424**	–	26,799	26,799	1,483,858
Loans and receivables	**24,995**	**22,751**	**47,746**	**2,761,879**	59,110	27,970	87,080	4,821,603
Accrued interest receivable	**314**	**389**	**703**	**40,684**	32	465	497	27,530
Other assets	**29**	**–**	**29**	**1,672**	20	27	47	2,598
	131,317	**63,080**	**194,397**	**11,258,985**	117,933	73,424	191,357	10,595,441
Liabilities								
Deposit liabilities	**–**	**35,130**	**35,130**	**2,032,104**	–	26,551	26,551	1,470,129
Bills payables	**483,780**	**7,130**	**490,910**	**28,396,680**	180,034	38,130	218,164	12,079,922
Accrued interest and other expenses	**2,058**	**7**	**2,065**	**119,457**	269	1	270	14,927
Other liabilities	**13,928**	**522**	**14,450**	**835,870**	32,904	154	33,058	1,830,413
	499,766	**42,789**	**542,555**	**31,384,111**	213,207	64,836	278,043	15,395,391
Currency spot	**103,550**	**–**	**103,550**	**5,989,850**	(107,357)	(243)	(107,600)	(5,957,809)
Currency forwards	**5,710,007**	**(20,163)**	**5,689,844**	**329,129,045**	3,927,925	(9,598)	3,918,327	216,957,909
Net Exposure	**$5,445,108**	**$128**	**$5,445,236**	**₱314,993,769**	$3,725,294	($1,253)	$3,724,041	₱206,200,150

**Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD*

	Parent Company							
	2024				2023			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	$487	$5,804	$6,291	₱363,914	$383	$8,299	$8,682	₱480,703
Due from other banks	96,954	9,009	105,963	6,129,463	54,734	8,367	63,101	3,493,920
Financial assets at FVTPL	171	70	241	13,946	–	1,497	1,497	82,936
Investment securities at amortized cost	–	25,057	25,057	1,449,424	–	26,799	26,799	1,483,858
Loans and receivables	24,995	22,751	47,746	2,761,879	59,110	27,970	87,080	4,821,603
Accrued interest receivable	314	389	703	40,684	32	465	497	27,530
Other assets	1	–	1	84		27	27	1,535
	122,922	63,080	186,002	10,759,394	114,259	73,424	187,683	10,392,085
Liabilities								
Deposit liabilities	–	35,130	35,130	2,032,104	–	26,551	26,551	1,470,129
Bills payables	483,780	7,130	490,910	28,396,680	180,034	38,130	218,164	12,079,922
Accrued interest and other expenses	2,058	7	2,065	119,457	269	1	270	14,927
Other liabilities	10,619	522	11,141	644,493	29,251	154	29,405	1,628,151
	496,457	42,789	539,246	31,192,734	209,554	64,836	274,390	15,193,129
Currency spot	103,550	–	103,550	5,989,850	(107,357)	(243)	(107,600)	(5,957,809)
Currency forwards	5,710,007	(20,163)	5,689,844	329,129,045	3,927,925	(9,598)	3,918,327	216,957,909
Net Exposure	$5,440,022	$128	$5,440,150	₱314,685,555	$3,725,273	($1,253)	$3,724,020	₱206,199,056

**Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD*

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			
		2024		2023	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱2**	**₱411**	₱1	₱333
Other	**1%**	–	–	–	–
USD	**(1%)**	**(2)**	**(411)**	(1)	(333)
Other	**(1%)**	–	–	–	–

		Parent Company			
		2024		2023	
	Change in Foreign Exchange Rate	**Sensitivity of Pretax Income**	**Sensitivity of Equity**	Sensitivity of Pretax Income	Sensitivity of Equity
USD	**1%**	**₱2**	**₱403**	₱1	₱326
Other	**1%**	–	–	–	–
USD	**(1%)**	**(2)**	**(403)**	(1)	(326)
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 indics 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
2024	**+10%**	**₱5.8**	**+10%**	**₱5.8**
	−10%	**(0.8)**	**−10%**	**(0.8)**
2023	+10%	₱6.4	+10%	₱6.8
	−10%	(7.3)	−10%	(6.2)

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 December 31, 2024					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	**Total**
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**

(Forward)

	Consolidated					
	December 31, 2024					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	**Total**
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	**–**	**486**	**–**	**–**	**–**	**486**
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**

	Consolidated					
	December 31, 2023					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Financial Assets						
Cash and other cash items	₱15,998	₱–	₱–	₱–	₱–	₱15,998
Due from BSP	84,596	–	–	–	–	84,596
Due from other banks	19,964	–	–	–	–	19,964
Interbank loans receivable and SPURA	3,645	31,075	–	–	–	34,720
Derivative contracts designated as hedges	–	758	1,990	3,207	–	5,955
Financial assets at FVTPL	938	10,984	2,365	463	2,757	17,507
Financial assets at FVOCI	–	14,538	10,127	12,526	88,473	125,664
Financial assets at AC	–	36,975	28,994	33,051	280,589	379,609
Loans and receivables	–	267,586	133,171	110,916	394,680	906,353
	125,141	361,916	176,647	160,163	766,499	1,590,366
Financial Liabilities						
Deposit liabilities						
Demand	291,397	–	–	–	–	291,397
Savings	283,859	–	–	–	–	283,859
Time	–	599,900	9,083	705	5,897	615,585
Bills payable	9,471	36,075	16,490	18,664	4,098	84,798
Manager's checks	–	2,109	–	–	–	2,109
Accrued interest and other expenses	–	8,589	–	–	–	8,589
Derivative contracts designated as hedges	–	7,437	66	17	–	7,520
Derivative liabilities	–	939	–	–	–	939
Bonds payable	–	19,989	–	–	–	19,989
Other liabilities:						
Lease payable	–	147	502	890	1,809	3,348
Accounts payable	–	5,904	–	–	–	5,904
Acceptances payable	–	2,269	–	–	–	2,269
Due to PDIC	–	1,030	–	–	–	1,030
Other credits – dormant	–	415	–	–	40	455
Due to the Treasurer of the Philippines	–	721	–	–	–	721
Miscellaneous	–	1,103	–	–	–	1,103
Total liabilities	584,727	686,627	26,141	20,276	11,844	1,329,615
Net Position	(₱459,586)	(₱324,711)	₱150,506	₱139,887	₱754,655	₱260,751

	Parent Company					
	December 31, 2024					
	On demand	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	**Total**
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**

	Parent Company					
	December 31, 2023					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Financial Assets						
Cash and other cash items	₱13,041	₱–	₱–	₱–	₱–	₱13,041
Due from BSP	73,157	–	–	–	–	73,157
Due from other banks	17,353	–	–	–	–	17,353
Interbank loans receivable and SPURA	–	31,076	–	–	–	31,076
Derivative contracts designated as hedges	–	758	1,990	3,207	–	5,955
Financial assets at FVTPL	–	10,984	2,365	463	2,706	16,518
Financial assets at FVOCI	–	5,561	9,914	12,120	85,354	112,949
Financial assets at AC	–	36,336	26,228	32,776	277,375	372,715
Loans and receivables	–	235,674	111,610	91,004	355,019	793,307
	103,551	320,389	152,107	139,570	720,454	1,436,071
Financial Liabilities						
Deposit liabilities						
Demand	266,548	–	–	–	–	266,548
Savings	263,095	–	–	–	–	263,095
Time	–	517,838	6,864	173	176	525,051

(Forward)

	Parent Company					
	December 31, 2023					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Bills payable	9,471	36,075	16,490	18,664	4,099	84,799
Manager's checks	–	1,420	–	–	–	1,420
Accrued interest and other expenses	–	7,499	–	–	–	7,499
Derivative contracts designated as hedges	–	7,437	66	17	–	7,520
Derivative liabilities	–	939	–	–	–	939
Bonds payable	–	19,989	–	–	–	19,989
Other liabilities:	–	–	–	–	–	–
Lease payable	–	70	348	890	1,271	2,579
Accounts payable	–	4,378	–	–	–	4,378
Acceptances payable	–	2,269	–	–	–	2,269
Due to PDIC	–	1,030	–	–	–	1,030
Other credits – dormant	–	415	–	–	–	415
Due to the Treasurer of the Philippines	–	677	–	–	–	677
Miscellaneous	–	929	–	–	–	929
Total liabilities	539,114	600,965	23,768	19,744	5,546	1,189,137
Net Position	(₱435,563)	(₱280,576)	₱128,339	₱119,826	₱714,908	₱246,934

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	
	2024	2023	**2024**	2023
Demand deposit account (Note 17)	**₱52,059,908**	₱70,715,958	**₱50,109,590**	₱67,756,976
Special deposit account	**30,580,000**	13,880,000	**11,000,000**	5,400,000
Others	**15**	15	**15**	15
	₱82,639,923	₱84,595,973	**₱61,109,605**	₱73,156,991

Due from Other Banks

This consists of deposit accounts with:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Local banks	**₱8,816,835**	₱12,413,625	**₱7,642,412**	₱12,413,625
Foreign banks	**3,723,395**	7,550,790	**3,723,395**	4,939,205
	₱12,540,230	₱19,964,415	**₱11,365,807**	₱17,352,830

As of December 31, 2024 and 2023 'Due from other banks' includes margin deposits with various counterparties amounting to ₱5.34 billion and ₱9.09 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		
	2024	2023	2022	**2024**	2023	2022
Due from BSP	**₱773,284**	₱1,400,165	₱850,999	**₱303,827**	₱607,793	₱590,379
Due from other banks	**298,088**	370,832	97,608	**176,068**	265,178	66,136
	₱1,071,372	₱1,770,997	₱948,607	**₱479,895**	₱872,971	₱656,515

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	
	2024	2023	**2024**	2023
Interbank loans receivable	**₱20,326,149**	₱22,088,980	**₱20,326,149**	₱22,088,980
SPURA	**–**	12,631,270	**–**	8,986,674
	₱20,326,149	₱34,720,250	**₱20,326,149**	₱31,075,654

Interbank Loans Receivable
As of December 31, 2024 and 2023, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks.

In 2024, 2023, and 2022, the interest rates of foreign currency-denominated interbank loans receivable range from 4.20 to 4.50%, from 5.35% to 5.45%, and from 4.25% to 4.60%, respectively.

Securities Purchased Under Resale Agreement
This account represents overnight placements with the BSP where the underlying securities cannot be sold or repledged to parties other than the BSP.

Interest rates of SPURA for the Group range from 5.73% to 6.54% in 2024, 5.50% to 6.39% in 2023, and from 2.00% to 5.50% in 2022. Interest rates of SPURA for the Parent Company range from 5.73% to 6.54% in 2024, 5.50% to 6.39% in 2023, and from 2.00% to 5.00% in 2022.

Interest Income on Interbank Loans Receivable and SPURA
This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Interbank loans receivable	**₱13,897**	₱8,451	₱32,503	**₱13,897**	₱8,451	₱32,503
SPURA	**1,408,961**	1,646,228	939,557	**1,242,297**	1,477,049	868,722
	₱1,422,858	₱1,654,679	₱972,060	**₱1,256,194**	₱1,485,500	₱901,225

9. Trading and Investment Securities

Financial Assets at FVTPL
This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Held for trading				
Government bonds	**₱2,762,814**	₱8,186,880	**₱2,662,379**	₱8,135,980
Treasury notes	**2,784,527**	1,135,824	**2,784,527**	1,135,824
Treasury bills	**2,412,869**	772,482	**2,412,869**	772,482
Private bonds	**512,170**	1,252,276	**512,170**	1,252,276
Quoted equity shares	**286,048**	897,898	**–**	572,061
	8,758,428	12,245,360	**8,371,945**	11,868,623
Financial assets designated at FVTPL	**664,300**	612,487	**–**	–
Derivative contracts not designated as hedges (Note 26)	**1,880,026**	773,440	**1,880,026**	773,440
Total	**₱11,302,754**	₱13,631,287	**₱10,251,971**	₱12,642,063

As of December 31, 2024 and 2023, HFT securities include fair value loss of ₱47.55 million and fair value gain of ₱53.64 million, respectively, for the Group. As of December 31, 2024 and 2023, HFT securities include fair value loss of ₱53.83 million and ₱10.85 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 0.23% to 8.64% in 2024, from 0.32% to 9.08% in 2023, and from 0.18% to 8.98% in 2022. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group and Parent Company range from 1.65% to 9.40% in 2024, from 2.10% to 10.16% in 2023, and from 1.27% to 6.84% in 2022.

Financial Assets at FVOCI
This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Debt Securities				
Government bonds (Note 29)	**₱108,947,623**	₱85,137,369	**₱96,781,274**	₱72,624,878
Private bonds	**20,587,385**	19,774,579	**20,492,318**	19,686,382
	129,535,008	104,911,948	**117,273,592**	92,311,260
Equity Securities				
Quoted equity securities	**4,549,299**	1,601,596	**4,347,274**	1,495,421
Unquoted equity securities	**21,525**	27,943	**13,541**	19,755
	4,570,824	1,629,539	**4,360,815**	1,515,176
Total	**₱134,105,832**	₱106,541,487	**₱121,634,407**	₱93,826,436

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, 2024 and 2023, financial assets at FVOCI include fair value losses of ₱2.15 billion and ₱1.50 billion, respectively for the Group and fair value losses of ₱1.90 billion and ₱1.29 billion, respectively for the Parent Company. The fair value losses are recognized in OCI. As of December 31, 2024 and 2023, the accumulated credit losses on debt financial assets at FVOCI recognized in OCI amounted to ₱95.67 million and ₱134.81 million, respectively for the Group and ₱95.63 million and ₱134.78 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 2.10% to 6.17% in 2024, from 2.08% to 8.58% in 2023, and from 1.75% to 8.50% in 2022.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.37% to 9.08% in 2024 and from 1.37% to 7.95% in 2023 and 2022.

Investment Securities at Amortized Cost
This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Government bonds (Note 19)	**₱263,651,966**	₱251,385,497	**₱256,376,847**	₱245,233,998
Private bonds	**129,093,934**	126,773,880	**128,766,284**	126,228,229
	392,745,900	378,159,377	**385,143,131**	371,462,227
Unamortized premium – net	**2,211,618**	2,843,560	**1,971,359**	2,640,762
Allowance for credit losses (Note 16)	**(437,898)**	(541,516)	**(425,644)**	(535,447)
	₱394,519,620	₱380,461,421	**₱386,688,846**	₱373,567,542

Effective interest rates for peso-denominated investment securities at amortized cost for the Group and the Parent Company range from 2.10% to 7.47% in 2024, from 1.85% to 7.14% in 2023, and from 1.66% to 7.14% in 2022. Effective interest rates for foreign currency-denominated investment securities at amortized cost for the Group and the Parent Company range from 0.57% to 10.34% in 2024, 2023 and 2022.

Redemption of Investment Securities at Amortized Cost
In 2024, 2023, and 2022, investment securities at amortized cost held by the Parent Company with carrying values prior to redemption of ₱4.30 billion, ₱1.65 billion, and ₱76.9 million, respectively, were redeemed by their respective counterparty issuers in accordance with the terms and conditions in the bond indentures which resulted in a loss of ₱0.47 million, and a gain of ₱0.08 million and ₱1.92 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		
	2024	2023	2022	**2024**	2023	2022
Investment securities at amortized cost	**₱20,864,834**	₱19,148,548	₱13,580,803	**₱20,540,962**	₱18,845,660	₱13,353,283
Financial assets at FVOCI	**7,567,997**	4,087,792	1,479,250	**6,545,787**	3,885,167	1,423,113
	₱28,432,831	₱23,236,340	₱15,060,053	**₱27,086,749**	₱22,730,827	₱14,776,396

10. **Loans and Receivables**

This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Loans and discounts				
Corporate and commercial lending	**₱709,187,846**	₱597,912,215	**₱694,641,267**	₱583,652,086
Consumer lending	**212,443,288**	180,783,562	**90,554,992**	82,367,782
Trade-related lending	**11,258,013**	12,197,414	**10,906,396**	11,913,049
Others*	**184,953**	102,047	**19,529**	15,998
	933,074,100	790,995,238	**796,122,184**	677,948,915
Unearned discounts	**(2,066,221)**	(1,622,481)	**(437,394)**	(440,915)
	931,007,879	789,372,757	**795,684,790**	677,508,000
Allowance for impairment and credit losses (Note 16)	**(15,778,123)**	(17,380,998)	**(12,771,413)**	(14,325,851)
	₱915,229,756	₱771,991,759	**₱782,913,377**	₱663,182,149

*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			
	2024		2023		**2024**		2023	
	Amounts	**%**	Amounts	%	**Amounts**	**%**	Amounts	%
Loans secured by								
Real estate	**₱155,808,442**	**16.70**	₱109,418,722	13.83	**₱115,604,790**	**14.52**	₱74,868,845	11.04
Chattel mortgage	**28,134,839**	**3.02**	25,099,865	3.17	**5,389,225**	**0.68**	6,256,291	0.92
Guarantee by the Republic of the Philippines	**55,300**	**0.01**	65,508	0.01	**55,300**	**0.01**	65,508	0.01
Deposit hold out	**8,387,597**	**0.90**	6,759,661	0.86	**8,072,020**	**1.01**	6,521,592	0.96
Shares of stock of other banks	**5,982,000**	**0.64**	8,323,900	1.05	**5,982,000**	**0.75**	8,323,900	1.23
Others*	**145,127,890**	**15.54**	122,306,961	15.46	**145,056,060**	**18.22**	122,216,525	18.03
	343,496,068	**36.81**	271,974,617	34.38	**280,159,395**	**35.19**	218,252,661	32.19
Unsecured loans	**589,578,032**	**63.19**	519,020,621	65.62	**515,962,789**	**64.81**	459,696,254	67.81
	₱933,074,100	**100.00**	₱790,995,238	100.00	**₱796,122,184**	**100.00**	₱677,948,915	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.

Modification of Loans and Receivables

COVID-19 Pandemic
In 2020, the Group provided payment reliefs / grace periods in accordance with Bayanihan to Heal as One Act (“Bayanihan 1 Act”) and Bayanihan to Recover as One Act (“Bayanihan 2 Act”) which were enacted on March 25, 2020 and September 11, 2020, respectively. In addition, the Group offered financial reliefs, aside from those covered by Bayanihan 1 Act and Bayanihan 2 Act, to their borrowers or counterparties as a response to the effect of the COVID-19 pandemic, particularly the modification of existing loans and receivables which includes extension of payment terms.

Based on the Group’s assessments, the modifications in the contractual cash flows as a result of the above reliefs are not substantial. The total modification losses resulting from Bayanihan 1 Act and Bayanihan 2 Act are not material for the Parent Company. For CBSI, the total modification loss in 2020 amounted to ₱203.75 million.

Assignment and Leaseback Transaction with a Repurchase Option
In 2023, the Parent Company (assignee-lessor) entered into an assignment and leaseback transaction with option to repurchase as settlement of a loan receivable, which was assessed by the Parent Company as a non-substantial loan modification in accordance with the applicable accounting standards (see Note 2). As a result of the transaction, the Parent Company recognized a modification gain included under ‘Miscellaneous income’ amounting to ₱163.21 million (Note 22). As of December 31, 2023, the unamortized balance of the modification gain amounted to ₱138.51 million, net of amortization due to accretion amounting to ₱24.70 million

In 2024, the Parent Company and the assignor-lessee agreed to an increase in the option to repurchase price which resulted in a gain included under ‘Miscellaneous income’ amounting to ₱2.00 billion (Note 22).

Interest Income on Loans and Receivables
As of December 31, 2024 and 2023, 62.45% and 57.86%, respectively, of the total receivables from customers of the Group and 68.16% and 62.18%, 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 1.50% to 37.24% in 2024, from 2.00% to 39.42% in 2023, and from 2.00% to 39.42% in 2022 for peso-denominated receivables, and from 3.40% to 8.28% in 2024, from 3.00% to 10.50% in 2023, and from 4.00% to 10.50% in 2022 for foreign currency-denominated receivables.

Remaining receivables of the Parent Company carry annual fixed interest rates ranging from 1.50% to 20.52% in 2024, from 2.00% to 30.00% in 2023, and from 2.00% to 30.00% in 2022 for peso-denominated receivables and from 3.40% to 8.28% in 2024, from 3.00% to 10.50% in 2023, and from 4.00% to 10.50% in 2022 for foreign currency-denominated receivables.

11. **Equity Investments**

This account consists of investments in:

A. Subsidiaries

	2024	2023
Balance at beginning of the year		
CBSI	**₱18,553,395**	₱15,591,412
CBCC	**3,551,095**	3,017,191
CBC-PCCI	**53,746**	44,953
CIBI	**458,730**	410,240
	22,616,966	19,063,796
Share in net income (losses)		
CBSI	**2,188,027**	1,851,012
CBCC	**453,362**	550,838
CBC-PCCI	**(31)**	27,200
CIBI	**120,993**	112,647
	2,762,351	2,541,697
Share in Other Comprehensive Income		
Items that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on debt financial assets FVOCI		
CBSI	**(17,424)**	62,206
CBCC	**(75,224)**	(96,469)
	(92,648)	(34,263)
Cumulative translation adjustments		
CBSI	**30,306**	81,508
	30,306	81,508
Items that do not recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on equity financial assets at FVOCI		
CBSI	**13,162**	8,774
CBCC	**82,650**	81,659
	95,812	90,433
Remeasurement gains (losses) on defined benefit assets/obligations		
CBSI	**10,301**	(41,539)
CBCC	**(4,652)**	(2,124)
CBC-PCCI	**6,336**	(3,449)
CIBI	**(199)**	(4,157)
	11,786	(51,269)
Additional investments		
CBSI	–	1,000,064
	–	1,000,064

(Forward)

	2024	2023
Cash dividends		
CBC-PCCI	**₱–**	(₱15,000)
CIBI	**(50,000)**	(60,000)
	(50,000)	(75,000)
Balance at end 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

B. Associates:

	2024	2023
Balance at beginning of the year	**₱1,389,952**	₱983,243
Share in net income	**757,363**	435,075
Share in OCI:		
Item that recycle to profit or loss in subsequent periods:		
Net unrealized gain (loss) on FVOCI	**(3,375)**	140,244
Items that do not recycle to profit or loss in subsequent periods:		
Remeasurement gain (loss) on life insurance reserves	**(13,596)**	(4,284)
Remeasurement gain (loss) on defined benefit plan	**8,549**	(4,326)
Cash dividends	**(160,000)**	(160,000)
Balance at end of the year	**₱1,978,893**	₱1,389,952

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.

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
	₱1,676,700

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
	2,550,000
Deferred tax liability	(765,000)
	₱1,785,000

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	1,059,793
		₱616,907

**inclusive of the existing branch licenses of PDB with an aggregate fair value of ₱289.50 million (Note 14)*

CIBI
On January 24, 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 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 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 8, 2022, 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, 2022.

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.

On June 1, 2022, the BOD of CBC-PCCI declared and approved cash dividends amounting to ₱25.00 million for stockholders on record as of July 30, 2022, payable on August 5, 2022.

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.

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, 2024 and 2023.

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.

The Parent Company received ₱160.00 million cash dividends from MCB Life on November 29, 2024 and June 30, 2023.

The following tables show the summarized financial information of MCB Life:

	2024	2023
Total assets	**₱71,449,802**	₱64,827,549
Total liabilities	**66,502,576**	61,352,672
Equity	**4,947,226**	3,474,877

	2024	2023
Revenues	**₱11,744,141**	₱11,604,711
Benefits, claims and operating expenses	**9,212,251**	10,184,949
Income before income tax	**2,531,890**	1,419,762
Net income	**1,893,407**	1,087,688

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 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	–	(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	–	(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

	Consolidated 2023							
	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	₱4,039,674	₱7,867,507	₱2,341,062	₱2,577,648	₱197,953	₱173,372	₱4,442,821	₱21,640,037
Additions	2,081	780,722	128,359	237,706	224,144	178,795	864,202	2,416,009
Disposals/transfers (Note 14)	–	(235,226)	(117,112)	(52,902)	(83,923)	(19,809)	(263,756)	(772,728)
Balance at end of year	4,041,755	8,413,003	2,352,309	2,762,452	338,174	332,358	5,043,267	23,283,318
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	6,705,162	1,536,021	1,963,439	–	100,813	1,997,342	12,302,777
Depreciation and amortization	–	481,955	93,548	214,137	–	54,980	852,490	1,697,110
Disposals/transfers (Note 14)	–	(116,446)	(191,551)	(16,662)	–	(32,062)	(438,692)	(795,413)
Balance at end of year	–	7,070,671	1,438,018	2,160,914	–	123,731	2,411,140	13,204,474
Net Book Value at End of Year	₱4,041,755	₱1,342,332	₱914,291	₱601,538	₱338,174	₱208,627	₱2,632,127	₱10,078,844

	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	–	(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	–	(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

	Parent Company 2023							
	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	₱3,641,705	₱6,427,184	₱1,587,263	₱1,766,195	₱69,136	₱181,451	₱3,430,246	₱17,103,180
Additions	2,081	567,149	101,390	140,498	148,428	178,795	450,682	1,589,023
Disposals/transfers (Note 14)	–	(72,753)	(117,112)	(52,902)	(2,469)	(19,809)	(65,839)	(330,884)
Balance at end of year	3,643,786	6,921,580	1,571,541	1,853,791	215,095	340,437	3,815,089	18,361,319
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	5,503,828	1,015,974	1,320,605	–	100,813	1,491,398	9,432,618
Depreciation and amortization	–	365,613	89,252	137,026	–	54,980	629,178	1,276,049
Disposals/transfers (Note 14)	–	52,722	(191,313)	(16,662)	–	(32,062)	(246,152)	(433,467)
Balance at end of year	–	5,922,163	913,913	1,440,969	–	123,731	1,874,424	10,275,200
Net Book Value at End of Year	₱3,643,786	₱999,417	₱657,628	₱412,822	₱215,095	₱216,706	₱1,940,665	₱8,086,119

The Group adopted the deemed cost model as of 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.

As of December 31, 2024 and 2023, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱3.83 billion and ₱3.68 billion, respectively, for the Group and ₱2.86 billion and ₱2.76 billion, respectively, for the Parent Company.

Gains on sale of furniture, fixtures and equipment amounting to ₱12.32 million, ₱2.10 million, and ₱3.56 million in 2024, 2023, and 2022, respectively, for the Group and ₱7.79 million, ₱1.50 million, and ₱2.40 million in 2024, 2023, and 2022, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2022, depreciation and amortization amounting to ₱1.45 billion and ₱1.09 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		
	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**
Provisions (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**

	Consolidated		
	2023		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱2,827,624	₱2,808,393	₱5,636,017
Additions	683,873	432,569	1,116,442
Disposals/write-off/transfers	(991,880)	(330,799)	(1,322,679)
Balance at end of year	2,519,617	2,910,163	5,429,780
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	1,014,155	1,014,155
Depreciation and amortization	–	158,481	158,481
Disposals/write-off/transfers	–	(103,304)	(103,304)
Balance at end of year	–	1,069,332	1,069,332
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	437,043	269,928	706,971
Reversals during the year	(36,396)	(5,081)	(41,477)
Disposals/write-off/transfers	(300,751)	59,593	(241,158)
Balance at end of year	99,896	324,440	424,336
Net Book Value at End of Year	₱2,419,721	₱1,516,391	₱3,936,112

	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 of year	**248,226**	**10,370**	**258,596**
Provisions (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**

	Parent Company		
	2023		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱1,091,352	₱1,483,566	₱2,574,918
Additions	278,719	250,232	528,951
Disposals/write-off/transfers	(411,679)	(96,692)	(508,371)
Balance at end of year	958,392	1,637,106	2,595,498
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	551,574	551,574
Depreciation and amortization	–	103,590	103,590
Disposals/write-off/transfers	–	(55,832)	(55,832)
Balance at end of year	–	599,332	599,332
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	520,241	15,845	536,086
Reversals during the year	(36,396)	(5,081)	(41,477)
Disposals/write-off/transfers	(235,619)	(394)	(236,013)
Balance at end of year	248,226	10,370	258,596
Net Book Value at End of Year	₱710,166	₱1,027,404	₱1,737,570

The Group's investment properties consist entirely of real estate properties acquired in settlement of loans and receivables or from recovery on charged-off assets. 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 charged-off assets in the statements of income.

In 2022, depreciation and amortization amounting to ₱145.75 million and ₱89.27 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		
	2024	2023	2022
Rent income on investment properties	**₱99,138**	₱98,876	₱89,903
Direct operating expenses on investment properties generating rent income	**1,338**	1,320	1,277
Direct operating expenses on investment properties not generating rent income	**73,763**	95,856	91,414

	Parent Company		
	2024	2023	2022
Rent income on investment properties	**₱49,283**	₱51,313	₱44,640
Direct operating expenses on investment properties generating rent income	**432**	414	371
Direct operating expenses on investment properties not generating rent income	**23,350**	31,909	21,843

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.

On August 26, 2011, the Parent Company was registered as an Economic Zone Information Technology (IT) Facilities Enterprise with the Philippine Economic Zone Authority (PEZA) to operate and maintain a proposed 17-storey building located inside the CBP-IT Park in Barangays Mabolo, Luz, Hipodromo, Carreta, and Kamputhaw, Cebu City, for lease to PEZA-registered IT enterprises, and to be known as Chinabank Corporate Center. This registration is under PEZA Registration Certificate No. 11-03-F.

Under this registration, the Parent Company is entitled to five percent (5.00%) final tax on gross income earned from locator IT enterprises and related operations in accordance with existing PEZA rules. The Parent Company shall also be exempted from the payment of all national and local taxes in relation to this registered activity.

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, 2024 and 2023, 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:

	2024		2023	
	RBB	**CBSI**	RBB	CBSI
Discount rate	**12.99%**	**15.72%**	12.90%	11.20%
Long-term growth rate	**1.00%**	**2.00%**	1.00%	1.00%

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, 2024 and 2023.

Intangible Assets

This account consists of:

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
Branch licenses	**₱3,677,100**	₱3,677,100	**₱455,000**	₱455,000
Capitalized software costs	**1,010,924**	381,051	**956,898**	328,317
Exchange trading right	**12,000**	12,000	**–**	–
	4,700,024	4,070,151	**1,411,898**	783,317
Allowance for impairment losses (Note 16)	**(293,502)**	(293,502)	**(57,000)**	(57,000)
	₱4,406,522	₱3,776,649	**₱1,354,898**	₱726,317

Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2024 and 2023, 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*

Prior to 2024, the CGU of the branch licenses is the individual branch where it is attributed. In 2024, the Parent Company implemented changes and internal reorganization within its RBB Segment. These changes include the synergistic approach in evaluating the performance of the branches and the consolidation of the corporate, commercial and SME lending from the RBB Segment to Institutional Banking Segment. In light of these changes, the Parent Company reassessed the identification of the

CGU to which the branch licenses arising from various acquisitions are attributed. Accordingly, the CGU of the branch licenses is now attributed to the RBB Segment as a whole.

Other than loans and deposits growth rates, the significant and most sensitive assumptions used in computing for the recoverable values of the CGUs follow:

	2024		2023	
	RBB	**CBSI**	RBB	CBSI
Discount rate	**12.99%**	**15.72%**	12.90%	11.20%
Long-term growth rate	**1.00%**	**2.00%**	1.00%	1.00%

Capitalized Software Costs

The movements in the account follow:

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
Cost				
Balance at beginning of year	**₱2,247,248**	₱2,101,442	**₱2,175,475**	₱2,026,390
Additions	**857,616**	192,662	**839,658**	185,157
Disposals/write-off/reclassification (Note 12)	**(13,510)**	(46,856)	**(23)**	(36,072)
Balance at end of year	**3,091,354**	2,247,248	**3,015,110**	2,175,475
Accumulated Depreciation and Amortization				
Balance at beginning of year	**1,866,197**	1,713,897	**1,847,158**	1,703,076
Depreciation and amortization	**214,736**	150,555	**211,581**	147,801
Disposals/write-off/reclassification (Note 12)	**(503)**	1,745	**(527)**	(3,719)
Balance at end of year	**2,080,430**	1,866,197	**2,058,212**	1,847,158
Net Book Value at End of Year	**₱1,010,924**	₱381,051	**₱956,898**	₱328,317

Exchange Trading Right

As of December 31, 2024 and 2023, the Group has an exchange trading right with cost and allowance for impairment losses amounting to ₱12.00 million and ₱4.00 million, respectively.

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. In 2024, 2023 and 2022, the Group recognized an impairment loss amounting to nil, ₱0.50 million and nil, 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	
	2024	2023	**2024**	2023
Financial assets				
Accounts receivable	**₱4,117,344**	₱3,575,524	**₱2,487,095**	₱2,309,407
Sales contract receivable	**1,691,896**	1,676,807	**262,860**	240,330
RCOCI	**128,654**	318,667	**88,068**	103,204
Others	**41,275**	48,293	**10,856**	9,535
	5,979,169	5,619,291	**2,848,879**	2,662,476
Non-financial assets				
Net plan assets (Note 25)	**1,885,859**	734,973	**1,836,058**	665,588
Prepaid expenses	**751,978**	609,706	**624,542**	505,267
Sundry debits	**533,790**	184,988	**498,079**	114,898
Documentary stamps	**383,071**	310,776	**272,983**	189,688
Security deposit	**346,187**	376,067	**346,114**	323,566
Creditable withholding taxes	**39,766**	40,083	**–**	–
Miscellaneous	**2,352,626**	1,292,875	**1,321,818**	674,673
	6,293,277	3,549,468	**4,899,594**	2,473,680
	12,272,446	9,168,759	**7,748,473**	5,136,156
Allowance for impairment losses (Note 16)	**(807,893)**	(968,878)	**(429,434)**	(521,489)
	₱11,464,553	₱8,199,881	**₱7,319,039**	₱4,614,667

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 2024, from 3.50% to 18.00% in 2023 and 2022 for the Group and from 6.00% to 10.00% in 2024 and 2023, and from 5.50% to 10.00% in 2022 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	
	2024	2023	**2024**	2023
Balances at beginning of year				
Loans and receivables	**₱17,380,998**	₱16,942,524	**₱14,325,851**	₱14,174,453
Investment securities at amortized cost	**541,516**	538,820	**535,447**	532,771
Financial assets at FVOCI *	**134,809**	124,309	**134,776**	124,378
Investment properties	**424,336**	706,971	**258,596**	536,086
Accrued interest receivable	**502,132**	996,346	**131,270**	660,751
Intangible assets	**293,502**	293,002	**57,000**	57,000
Investment in subsidiaries	**–**	–	**59,902**	59,902
Other assets	**968,878**	711,830	**521,489**	329,713
Off-balance sheet exposures *	**507,602**	782,341	**507,602**	772,323
	20,753,773	21,096,143	**16,531,933**	17,247,377
Provisions charged to operations	**3,314,707**	1,246,003	**2,531,461**	208,011
Accounts charged off and others	**(5,176,046)**	(1,588,373)	**(4,225,661)**	(923,455)
	(1,861,339)	(342,370)	**(1,694,200)**	(715,444)
Balances at end of year				
Loans and receivables (Note 10)	**15,778,123**	17,380,998	**12,771,413**	14,325,851
Investment securities at amortized cost (Note 9)	**437,898**	541,516	**425,644**	535,447
Financial assets at FVOCI * (Note 9)	**95,673**	134,809	**95,631**	134,776
Investment properties (Note 13)	**368,200**	424,336	**276,809**	258,596
Accrued interest receivable	**569,010**	502,132	**179,765**	131,270
Intangible assets (Note 14)	**293,502**	293,502	**57,000**	57,000
Investment in subsidiaries	–	–	**59,902**	59,902
Other assets (Note 15)	**807,893**	968,878	**429,434**	521,489
Off-balance sheet exposures * (Note 21)	**542,135**	507,602	**542,135**	507,602
	₱18,892,434	₱20,753,773	**₱14,837,733**	₱16,531,933

* *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 2024, 2023, and 2022.

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Loans and receivables						
Corporate and commercial lending	**₱2,295,310**	₱930,730	₱6,851,108	**₱2,403,771**	₱679,626	₱6,064,157
Consumer lending	**972,618**	744,560	(33,430)	**49,600**	(41,352)	(500,018)
Trade-related lending	**83,852**	136,317	(232,200)	**94,684**	138,415	(241,718)
Others	**(293)**	(258)	(519)	**–**	–	(328)
	3,351,487	1,811,349	6,584,959	**2,548,055**	776,689	5,322,093
Investment securities at amortized cost	**(111,133)**	5,100	1,365,391	**(117,318)**	5,080	1,251,442
Financial assets at FVOCI (debt securities)	**(36,498)**	11,623	58,111	**(36,507)**	11,659	58,677
Off-balance sheet exposures	**34,532**	(263,419)	26,637	**34,532**	(263,419)	26,637
Other assets	**76,319**	(318,650)	977,535	**102,699**	(321,998)	768,353
Provisions charged to operations	**₱3,314,707**	₱1,246,003	₱9,012,633	**₱2,531,461**	₱208,011	₱7,427,202

The tables below illustrate the movements of the allowance for impairment and credit losses during 2024 (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, 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)
FX and other movements	–	–	–	–
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)
FX and other movements	–	–	–	–
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)
FX and other movements	–	–	–	–
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*

Others	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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	–	–	–	–
FX and other movements	–	–	–	–
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*

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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)**
FX and other movements	–	–	–	–
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*

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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 *	**36,852**	–	–	**36,852**
Changes in PDs / LGDs / EADs	**(92,690)**	**(1,465)**	–	**(94,155)**
Financial assets derecognized during the period	**(18,346)**	–	–	**(18,346)**
FX and other movements	–	–	–	–
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*

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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)**
FX and other movements	–	–	–	–
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*

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
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)**
FX and other movements	–	–	–	–
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*

Consumer lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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)**
FX and other movements	–	–	–	–
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*

Trade-related lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 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	–	**29**	**129,936**	**129,965**
Financial assets derecognized during the period	**(37,105)**	**(435)**	**(51,688)**	**(89,228)**
FX and other movements	–	–	–	–
Provision for credit losses during the period	**13,596**	**2,522**	**78,566**	**94,684**
Write-offs, foreclosures, and other movements	**425**	–	**(271,862)**	**(271,437)**
Loss allowance at December 31, 2024	**₱51,036**	**₱2,983**	**₱–**	**₱54,019**

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	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)**
FX and other movements	–	–	–	–
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*

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
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)**
FX and other movements	–	–	–	-
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*

Financial assets at FVOCI (debt securities)	**Parent Company – ECL Staging – Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 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)**
FX and other movements	–	–	–	-
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*

Comparative figures for the movement of allowance for credit and impairment losses for 2023 are shown below:

Corporate and commercial lending	Consolidated – ECL Staging – Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱4,885,938	₱2,085,985	₱7,617,468	₱14,589,391
Transfers:				
Transfer from Stage 1 to Stage 2	(148,218)	382,190	–	233,972
Transfer from Stage 1 to Stage 3	(58,465)	–	1,905,735	1,847,270
Transfer from Stage 2 to Stage 1	102,525	(582,257)	–	(479,732)
Transfer from Stage 2 to Stage 3	–	(107,895)	950,470	842,575
Transfer from Stage 3 to Stage 1	1,234	–	(95,766)	(94,532)
Transfer from Stage 3 to Stage 2	–	898	(15,231)	(14,333)
New financial assets originated *	2,943,438	680,808	1,207,173	4,831,419
Changes in PDs / LGDs / EADs	(568,215)	(291,163)	(2,935,129)	(3,794,507)
Financial assets derecognized during the period	(1,596,828)	(434,809)	(438,019)	(2,469,656)
FX and other movements	(14,893)	(4,161)	47,308	28,254
Provision for credit losses during the period	660,578	(356,389)	626,541	930,730
Write-offs, foreclosures, and other movements	14,893	4,161	(853,693)	(834,639)
Loss allowance at December 31, 2023	₱5,561,409	₱1,733,757	₱7,390,316	₱14,685,482

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Consumer lending	Consolidated – ECL Staging – Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱802,246	₱344,449	₱1,074,458	₱2,221,153
Transfers:				
Transfer from Stage 1 to Stage 2	(47,731)	89,195	–	41,464
Transfer from Stage 1 to Stage 3	(6,208)	–	243,006	236,798
Transfer from Stage 2 to Stage 1	4,812	(16,827)	–	(12,015)
Transfer from Stage 2 to Stage 3	–	(14,034)	144,636	130,602
Transfer from Stage 3 to Stage 1	506	–	(21,463)	(20,957)
Transfer from Stage 3 to Stage 2	–	3,410	(125,287)	(121,877)
New financial assets originated *	416,585	65,930	744,830	1,227,345
Changes in PDs / LGDs / EADs	(40,793)	(45,831)	124,139	37,515
Financial assets derecognized during the period	(203,809)	(209,980)	(360,526)	(774,315)
FX and other movements	–	–	–	–
Provision for credit losses during the period	123,362	(128,137)	749,335	744,560
Write-offs, foreclosures, and other movements	–	–	(515,062)	(515,062)
Loss allowance at December 31, 2023	₱925,608	₱216,312	₱1,308,731	₱2,450,651

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱57,721	₱16,244	₱55,575	₱129,540
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(215)	–	11,642	11,427
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(235)	8,843	8,608
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	38,071	18,081	190,253	246,405
Changes in PDs / LGDs / EADs	(3)	(6,681)	(1,426)	(8,110)
Financial assets derecognized during the period	(57,506)	(16,090)	(53,172)	(126,768)
FX and other movements	1,657	–	3,098	4,755
Provision for credit losses during the period	(17,996)	(4,925)	159,238	136,317
Write-offs, foreclosures, and other movements	(1,657)	–	(21,517)	(23,174)
Loss allowance at December 31, 2023	₱38,068	₱11,319	₱193,296	₱242,683

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱67	₱139	₱2,234	₱2,440
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	84	84
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 *	–	–	1,697	1,697
Changes in PDs / LGDs / EADs	(66)	(139)	(1,834)	(2,039)
Financial assets derecognized during the period	–	–	–	–
FX and other movements	–	–	–	–
Provision for credit losses during the period	(66)	(139)	(53)	(258)
Write-offs, foreclosures, and other movements	–	–	–	–
Loss allowance at December 31, 2023	₱1	₱–	₱2,181	₱2,182

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱5,745,972	₱2,446,817	₱8,749,735	₱16,942,524
Transfers:				
Transfer from Stage 1 to Stage 2	(195,949)	471,385	–	275,436
Transfer from Stage 1 to Stage 3	(64,888)	–	2,160,467	2,095,579
Transfer from Stage 2 to Stage 1	107,337	(599,084)	–	(491,747)
Transfer from Stage 2 to Stage 3	–	(122,164)	1,103,949	981,785
Transfer from Stage 3 to Stage 1	1,740	–	(117,229)	(115,489)
Transfer from Stage 3 to Stage 2	–	4,308	(140,518)	(136,210)
New financial assets originated *	3,398,094	764,819	2,143,953	6,306,866
Changes in PDs / LGDs / EADs	(609,077)	(343,814)	(2,814,250)	(3,767,141)
Financial assets derecognized during the period	(1,858,143)	(660,879)	(851,717)	(3,370,739)
FX and other movements	(13,236)	(4,161)	50,406	33,009
Provision for credit losses during the period	765,878	(489,590)	1,535,061	1,811,349
Write-offs, foreclosures, and other movements	13,236	4,161	(1,390,272)	(1,372,875)
Loss allowance at December 31, 2023	₱6,525,086	₱1,961,388	₱8,894,524	₱17,380,998

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱493,776	₱45,044	₱–	₱538,820
Transfers:				
Transfer from Stage 1 to Stage 2	(13,553)	52,823	–	39,270
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	2,655	(25,006)	–	(22,351)
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 *	51,026	167	–	51,193
Changes in PDs / LGDs / EADs	(13,061)	(12,078)	–	(25,139)
Financial assets derecognized during the period	(35,915)	(4,362)	–	(40,277)
FX and other movements	2,208	196	–	2,404
Provision for credit losses during the period	(6,640)	11,740	–	5,100
Write-offs, foreclosures, and other movements	(2,208)	(196)	–	(2,404)
Loss allowance at December 31, 2023	₱484,928	₱56,588	₱–	₱541,516

** Stage classification of new financial assets originated pertains to the stage as of end of year.*

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱98,933	₱25,376	₱–	₱124,309
Transfers:				
Transfer from Stage 1 to Stage 2	(214)	1,934	–	1,720
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	686	(25,375)	–	(24,689)
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 *	45,807	180	–	45,987
Changes in PDs / LGDs / EADs	1,269	–	–	1,269
Financial assets derecognized during the period	(13,925)	–	–	(13,925)
FX and other movements	1,106	155	–	1,261
Provision for credit losses during the period	34,729	(23,106)	–	11,623
Write-offs, foreclosures, and other movements	(968)	(155)	–	(1,123)
Loss allowance at December 31, 2023	₱132,694	₱2,115	₱–	₱134,809

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱4,801,942	₱2,000,803	₱6,537,938	₱13,340,683
Transfers:				
Transfer from Stage 1 to Stage 2	(146,783)	380,293	–	233,510
Transfer from Stage 1 to Stage 3	(58,168)		1,895,933	1,837,765
Transfer from Stage 2 to Stage 1	93,834	(570,771)	–	(476,937)
Transfer from Stage 2 to Stage 3	–	(104,209)	858,266	754,057
Transfer from Stage 3 to Stage 1	989	–	(87,672)	(86,683)
Transfer from Stage 3 to Stage 2	–	782	(12,328)	(11,546)
New financial assets originated *	2,929,459	675,714	726,298	4,331,471
Changes in PDs / LGDs / EADs	(564,884)	(285,181)	(2,918,362)	(3,768,427)
Financial assets derecognized during the period	(1,561,203)	(400,083)	(200,552)	(2,161,838)
FX and other movements	(14,893)	(4,161)	47,308	28,254
Provision for credit losses during the period	678,351	(307,616)	308,891	679,626
Write-offs, foreclosures, and other movements	14,893	4,161	(524,611)	(505,557)
Loss allowance at December 31, 2023	₱5,495,186	₱1,697,348	₱6,322,218	₱13,514,752

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Consumer lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱80,491	₱267,456	₱370,292	₱718,239
Transfers:				
Transfer from Stage 1 to Stage 2	(37,160)	49,426	–	12,266
Transfer from Stage 1 to Stage 3	(571)	–	20,719	20,148
Transfer from Stage 2 to Stage 1	688	(1,310)	–	(622)
Transfer from Stage 2 to Stage 3	–	(1,397)	12,196	10,799
Transfer from Stage 3 to Stage 1	150	–	(7,432)	(7,282)
Transfer from Stage 3 to Stage 2	–	1,026	(100,311)	(99,285)
New financial assets originated *	95,559	12,362	4,929	112,850
Changes in PDs / LGDs / EADs	28,801	(37,230)	129,250	120,821
Financial assets derecognized during the period	(4,165)	(182,472)	(24,410)	(211,047)
FX and other movements	–	–	–	–
Provision for credit losses during the period	83,302	(159,595)	34,941	(41,352)
Write-offs, foreclosures, and other movements	–	–	(96,560)	(96,560)
Loss allowance at December 31, 2023	₱163,793	₱107,861	₱308,673	₱580,327

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱57,720	₱2,236	₱55,575	₱115,531
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(215)	–	11,642	11,427
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(235)	8,843	8,608
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	37,016	461	190,253	227,730
Changes in PDs / LGDs / EADs	–	–	(1,426)	(1,426)
Financial assets derecognized during the period	(57,506)	(2,001)	(53,172)	(112,679)
FX and other movements	1,657	–	3,098	4,755
Provision for credit losses during the period	(19,048)	(1,775)	159,238	138,415
Write-offs, foreclosures, and other movements	(1,657)	–	(21,517)	(23,174)
Loss allowance at December 31, 2023	₱37,015	₱461	₱193,296	₱230,772

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Parent Company ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2023	₱4,940,153	₱2,270,495	₱6,963,805	₱14,174,453
Transfers:				
Transfer from Stage 1 to Stage 2	(183,943)	429,719	–	245,776
Transfer from Stage 1 to Stage 3	(58,954)	–	1,928,294	1,869,340
Transfer from Stage 2 to Stage 1	94,522	(572,081)	–	(477,559)
Transfer from Stage 2 to Stage 3	–	(105,841)	879,305	773,464
Transfer from Stage 3 to Stage 1	1,139	–	(95,104)	(93,965)
Transfer from Stage 3 to Stage 2	–	1,808	(112,639)	(110,831)
New financial assets originated *	3,062,034	688,537	921,480	4,672,051
Changes in PDs / LGDs / EADs	(536,083)	(322,411)	(2,790,538)	(3,649,032)
Financial assets derecognized during the period	(1,622,874)	(584,556)	(278,134)	(2,485,564)
FX and other movements	(13,236)	(4,161)	50,406	33,009
Provision for credit losses during the period	742,605	(468,986)	503,070	776,689
Write-offs, foreclosures, and other movements	13,236	4,161	(642,688)	(625,291)
Loss allowance at December 31, 2023	₱5,695,994	₱1,805,670	₱6,824,187	₱14,325,851

** 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, 2023	₱487,728	₱45,043	₱–	₱532,771
Transfers:				
Transfer from Stage 1 to Stage 2	(13,553)	52,823	–	39,270
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	2,655	(25,006)	–	(22,351)
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 *	51,910	167	–	52,077
Changes in PDs / LGDs / EADs	(14,540)	(12,077)	–	(26,617)
Financial assets derecognized during the period	(35,341)	(4,362)	–	(39,703)
FX and other movements	2,208	196	–	2,404
Provision for credit losses during the period	(6,661)	11,741	–	5,080
Write-offs, foreclosures, and other movements	(2,208)	(196)	–	(2,404)
Loss allowance at December 31, 2023	₱478,859	₱56,588	₱–	₱535,447

** 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, 2023	₱99,003	₱25,375	₱–	₱124,378
Transfers:				
Transfer from Stage 1 to Stage 2	(214)	1,934	–	1,720
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	686	(25,375)	–	(24,689)
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 *	45,806	181	–	45,987
Changes in PDs / LGDs / EADs	1,305	–	–	1,305
Financial assets derecognized during the period	(13,925)	–	–	(13,925)
FX and other movements	1,106	155	–	1,261
Provision for credit losses during the period	34,764	(23,105)	–	11,659
Write-offs, foreclosures, and other movements	(1,106)	(155)	–	(1,261)
Loss allowance at December 31, 2023	₱132,661	₱2,115	₱–	₱134,776

** 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 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*

Consumer lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Trade-related lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Others	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Consumer lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Trade-related lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Others	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Loans and receivables – total	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Investment securities at amortized cost	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Financial assets at FVOCI (debt securities)	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 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*

Comparative figures for the movement of gross carrying amount for 2023 are shown below:

Corporate and commercial lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱484,995,851	₱58,277,293	₱12,136,970	₱555,410,114
Transfers:				
Transfer from Stage 1 to Stage 2	(11,128,883)	11,128,883	–	–
Transfer from Stage 1 to Stage 3	(2,724,649)	–	2,724,649	–
Transfer from Stage 2 to Stage 1	13,284,653	(13,284,653)	–	–
Transfer from Stage 2 to Stage 3	–	(1,261,406)	1,261,406	–
Transfer from Stage 3 to Stage 1	161,743	–	(161,743)	–
Transfer from Stage 3 to Stage 2	–	41,647	(41,647)	–
New financial assets originated *	206,140,793	19,963,728	1,876,904	227,981,425
Changes in EADs	(29,169,866)	(5,638,681)	(310,225)	(35,118,772)
Financial assets derecognized during the period	(133,493,999)	(15,143,579)	(906,703)	(149,544,281)
Write-offs, foreclosures, and other movements	–	–	(816,271)	(816,271)
Total movements of carrying amount	43,069,792	(4,194,061)	3,626,370	42,502,101
Gross carrying amount at December 31, 2023	₱528,065,643	₱54,083,232	₱15,763,340	₱597,912,215

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Consumer lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱124,698,727	₱14,701,573	₱5,064,552	₱144,464,852
Transfers:				
Transfer from Stage 1 to Stage 2	(6,643,519)	6,643,519	–	–
Transfer from Stage 1 to Stage 3	(1,135,889)	–	1,135,889	–
Transfer from Stage 2 to Stage 1	1,276,183	(1,276,183)	–	–
Transfer from Stage 2 to Stage 3	–	(765,964)	765,964	–
Transfer from Stage 3 to Stage 1	222,231	–	(222,231)	–
Transfer from Stage 3 to Stage 2	–	567,923	(567,923)	–
New financial assets originated *	75,110,114	4,875,218	853,172	80,838,504
Changes in EADs	(13,156,822)	(1,916,550)	(75,817)	(15,149,189)
Financial assets derecognized during the period	(22,218,339)	(5,403,285)	(1,128,350)	(28,749,974)
Write-offs, foreclosures, and other movements	–	–	(620,631)	(620,631)
Total movements of carrying amount	33,453,959	2,724,678	140,073	36,318,710
Gross carrying amount at December 31, 2023	₱158,152,686	₱17,426,251	₱5,204,625	₱180,783,562

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱16,762,797	₱759,519	₱202,753	₱17,725,069
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(11,642)	–	11,642	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(12,095)	12,095	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	11,798,499	145,990	256,776	12,201,265
Changes in EADs	(690)	(5,049)	(1,282)	(7,021)
Financial assets derecognized during the period	(16,751,155)	(749,348)	(200,329)	(17,700,832)
Write-offs, foreclosures, and other movements	–	–	(21,067)	(21,067)
Total movements of carrying amount	(4,964,988)	(620,502)	57,835	(5,527,655)
Gross carrying amount at December 31, 2023	₱11,797,809	₱139,017	₱260,588	₱12,197,414

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱94,784	₱13,943	₱6,473	₱115,200
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(242)	–	242	–
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 *	64,950	4,547	13,578	83,075
Changes in EADs	(79,390)	(13,942)	(2,896)	(96,228)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(14,682)	(9,395)	10,924	(13,153)
Gross carrying amount at December 31, 2023	₱80,102	₱4,548	₱17,397	₱102,047

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Loans and receivables – total	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱626,552,159	₱73,752,328	₱17,410,748	₱717,715,235
Transfers:				
Transfer from Stage 1 to Stage 2	(17,772,402)	17,772,402	–	–
Transfer from Stage 1 to Stage 3	(3,872,422)	–	3,872,422	–
Transfer from Stage 2 to Stage 1	14,560,836	(14,560,836)	–	–
Transfer from Stage 2 to Stage 3	–	(2,039,465)	2,039,465	–
Transfer from Stage 3 to Stage 1	383,974	–	(383,974)	–
Transfer from Stage 3 to Stage 2	–	609,570	(609,570)	–
New financial assets originated *	293,114,356	24,989,483	3,000,430	321,104,269
Changes in EADs	(42,406,768)	(7,574,222)	(390,220)	(50,371,210)
Financial assets derecognized during the period	(172,463,493)	(21,296,212)	(2,235,382)	(195,995,087)
Write-offs, foreclosures, and other movements	–	–	(1,457,969)	(1,457,969)
Total movements of carrying amount	71,544,081	(2,099,280)	3,835,202	73,280,003
Gross carrying amount at December 31, 2023	₱698,096,240	₱71,653,048	₱21,245,950	₱790,995,238

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Investment securities at amortized cost	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱352,609,868	₱3,035,602	₱–	₱355,645,470
Transfers:				
Transfer from Stage 1 to Stage 2	(4,830,200)	4,830,200	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,411,527	(1,411,527)	–	–
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 *	90,108,395	102,324	–	90,210,719
Changes in EADs	(4,184,574)	(191,608)	–	(4,376,182)
Financial assets derecognized during the period	(62,229,928)	(1,090,702)	–	(63,320,630)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	20,275,220	2,238,687	–	22,513,907
Gross carrying amount at December 31, 2023	₱372,885,088	₱5,274,289	₱–	₱378,159,377

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Financial assets at FVOCI (debt securities)	Consolidated ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱41,369,553	₱1,314,996	₱–	₱42,684,549
Transfers:				
Transfer from Stage 1 to Stage 2	(981,609)	981,609	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,314,996	(1,314,996)	–	–
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 *	66,992,040	84,861	–	67,076,901
Changes in EADs	(391,830)	(15,124)	–	(406,954)
Financial assets derecognized during the period	(4,456,151)	–	–	(4,456,151)
Write-offs, foreclosures, and other movements	13,603	–	–	13,603
Total movements of carrying amount	62,491,049	(263,650)	–	62,227,399
Gross carrying amount at December 31, 2023	₱103,860,602	₱1,051,346	₱–	₱104,911,948

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Corporate and commercial lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱477,456,923	₱52,492,289	₱9,206,201	₱539,155,413
Transfers:				
Transfer from Stage 1 to Stage 2	(11,000,040)	11,000,040	–	–
Transfer from Stage 1 to Stage 3	(2,698,036)	–	2,698,036	–
Transfer from Stage 2 to Stage 1	12,504,605	(12,504,605)	–	–
Transfer from Stage 2 to Stage 3	–	(1,011,085)	1,011,085	–
Transfer from Stage 3 to Stage 1	139,769	–	(139,769)	–
Transfer from Stage 3 to Stage 2	–	33,767	(33,767)	–
New financial assets originated *	202,584,806	18,547,982	1,304,217	222,437,005
Changes in EADs	(28,760,644)	(5,081,454)	(267,308)	(34,109,406)
Financial assets derecognized during the period	(130,296,496)	(12,785,226)	(262,015)	(143,343,737)
Write-offs, foreclosures, and other movements	–	–	(487,189)	(487,189)
Total movements of carrying amount	42,473,964	(1,800,581)	3,823,290	44,496,673
Gross carrying amount at December 31, 2023	₱519,930,887	₱50,691,708	₱13,029,491	₱583,652,086

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Consumer lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱54,927,439	₱12,723,233	₱3,338,054	₱70,988,726
Transfers:				
Transfer from Stage 1 to Stage 2	(5,621,650)	5,621,650	–	–
Transfer from Stage 1 to Stage 3	(590,878)	–	590,878	–
Transfer from Stage 2 to Stage 1	877,485	(877,485)	–	–
Transfer from Stage 2 to Stage 3	–	(441,244)	441,244	–
Transfer from Stage 3 to Stage 1	187,829	–	(187,829)	–
Transfer from Stage 3 to Stage 2	–	506,687	(506,687)	–
New financial assets originated *	22,023,392	3,759,159	81,734	25,864,285
Changes in EADs	(4,583,280)	(1,714,666)	(65,499)	(6,363,445)
Financial assets derecognized during the period	(2,918,917)	(4,696,488)	(304,250)	(7,919,655)
Write-offs, foreclosures, and other movements	–	–	(202,129)	(202,129)
Total movements of carrying amount	9,373,981	2,157,613	(152,538)	11,379,056
Gross carrying amount at December 31, 2023	₱64,301,420	₱14,880,846	₱3,185,516	₱82,367,782

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Trade-related lending	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱16,762,798	₱425,650	₱202,754	₱17,391,202
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	(11,642)	–	11,642	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	(12,095)	12,095	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	11,521,649	130,812	256,775	11,909,236
Changes in EADs	–	–	(1,283)	(1,283)
Financial assets derecognized during the period	(16,751,156)	(413,555)	(200,328)	(17,365,039)
Write-offs, foreclosures, and other movements	–	–	(21,067)	(21,067)
Total movements of carrying amount	(5,241,149)	(294,838)	57,834	(5,478,153)
Gross carrying amount at December 31, 2023	₱11,521,649	₱130,812	₱260,588	₱11,913,049

** Stage classification of new financial assets originated pertains to the stage as of end of year*

Others	Parent Company ECL Staging Stage 1 12–month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount at January 1, 2023	₱19,124	₱–	₱2	₱19,126
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 *	–	–	201	201
Changes in EADs	(3,329)	–	–	(3,329)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(3,329)	–	201	(3,128)
Gross carrying amount at December 31, 2023	₱15,795	₱–	₱203	₱15,998

** 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, 2023	₱549,166,284	₱65,641,172	₱12,747,011	₱627,554,467
Transfers:				
Transfer from Stage 1 to Stage 2	(16,621,690)	16,621,690	–	–
Transfer from Stage 1 to Stage 3	(3,300,556)	–	3,300,556	–
Transfer from Stage 2 to Stage 1	13,382,090	(13,382,090)	–	–
Transfer from Stage 2 to Stage 3	–	(1,464,424)	1,464,424	–
Transfer from Stage 3 to Stage 1	327,598	–	(327,598)	–
Transfer from Stage 3 to Stage 2	–	540,454	(540,454)	–
New financial assets originated *	236,129,847	22,437,953	1,642,927	260,210,727
Changes in EADs	(33,347,253)	(6,796,120)	(334,090)	(40,477,463)
Financial assets derecognized during the period	(149,966,569)	(17,895,269)	(766,593)	(168,628,431)
Write-offs, foreclosures, and other movements	–	–	(710,385)	(710,385)
Total movements of carrying amount	46,603,467	62,194	3,728,787	50,394,448
Gross carrying amount at December 31, 2023	₱595,769,751	₱65,703,366	₱16,475,798	₱677,948,915

** 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, 2023	₱346,623,991	₱3,035,602	₱–	₱349,659,593
Transfers:				
Transfer from Stage 1 to Stage 2	(4,830,200)	4,830,200	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,411,527	(1,411,527)	–	–
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 *	88,822,380	102,324	–	88,924,704
Changes in EADs	(4,168,490)	(191,608)	–	(4,360,098)
Financial assets derecognized during the period	(61,671,270)	(1,090,702)	–	(62,761,972)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	19,563,947	2,238,687	–	21,802,634
Gross carrying amount at December 31, 2023	₱366,187,938	₱5,274,289	₱–	₱371,462,227

** 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, 2023	₱39,228,165	₱1,314,996	₱–	₱40,543,161
Transfers:				
Transfer from Stage 1 to Stage 2	(981,609)	981,609	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,314,996	(1,314,996)	–	–
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 *	56,169,253	84,861	–	56,254,114
Changes in EADs	(14,740)	(15,124)	–	(29,864)
Financial assets derecognized during the period	(4,456,151)	–	–	(4,456,151)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	52,031,749	(263,650)	–	51,768,099
Gross carrying amount at December 31, 2023	₱91,259,914	₱1,051,346	₱–	₱92,311,260

** 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		
	2024	2023	2022	**2024**	2023	2022
Provision for Impairment and Credit Losses	**₱3,314,707**	₱1,246,003	₱9,012,633	**₱2,531,461**	₱208,011	₱7,427,202
Appropriation (Un-appropriation) of Retained Earnings*	**965,728**	21,946	692,319	**831,715**	(77,472)	651,536
	₱4,280,435	₱1,267,949	₱9,704,952	**₱3,363,176**	₱130,539	₱8,078,738

**The Parent Company figures exclude the amounts appropriated by CBSI.*

17. Deposit Liabilities

As of December 31, 2024 and 2023, 46.51% and 42.92% respectively, of the total deposit liabilities of the Group and 53.22% and 39.47% of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.05% to 5.97% in 2024, from 0.06% to 5.98% in 2023, and from 0.05% to 4.55% in 2022 for the Group and the Parent Company.

<u>Interest Expense on Deposit Liabilities</u>
This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Demand	**₱362,703**	₱348,300	₱325,725	**₱330,128**	₱317,113	₱296,702
Savings	**4,793,578**	4,407,218	2,294,286	**4,732,519**	4,337,101	2,229,503
Time	**20,838,232**	16,985,051	6,204,472	**14,656,167**	12,497,657	4,815,806
	₱25,994,513	₱21,740,569	₱8,824,483	**₱19,718,814**	₱17,151,871	₱7,342,011

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2024 and 2023, due from BSP amounting to ₱52.06 billion and ₱70.72 billion, respectively, for the Group and ₱50.11 billion and ₱67.76 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to BSP. As of December 31, 2024 and 2023, the Parent Company is in compliance with such regulation.

On May 27, 2020, BSP issued Circular No. 1087, *Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs),* which provides the following allowable modes of alternative compliance with the required reserves against deposit and deposit liabilities, provided that the following loans were granted, renewed, or restructured after March 15, 2020:

a. Peso-denominated loans that are granted to micro-, small- and medium enterprises (MSMEs)
b. Peso-denominated loans that are granted to large enterprises, excluding banks and NBQBs; provided that large enterprises are directly and adversely impacted by the Covid-19 outbreak

Subsequently on October 8, 2020, BSP issued Circular No. 1100 *Amendment to the Alternative Compliance with the Reserve Requirements of Banks and Non-Bank Financial Institutions with Quasi-Banking Functions (NBQBs)*, which states that a bank/NBQB may continue to utilize past due or non-performing MSME and large enterprise loan as alternative compliance with the reserve requirements for an additional thirty (30) calendar days from the date the loan becomes past due or non-performing, whichever comes earlier.

The use of MSME loans as allowable alternative compliance with the reserve requirement shall be available to banks/NBQBs from April 24, 2020 to December 29, 2022 while the use of loans to a large enterprise as allowable alternative compliance with the reserve requirements shall be available to banks/NBQBs from May 29, 2020 to December 29, 2022. However, the subsequent issuance of BSP Circular No. 1155 *Amendments to the Alternative Compliance with the Reserve Requirements of Banks and NBQBs* further extended the use of MSME loans and loans to a large enterprise as allowable alternative compliance from December 29, 2022 to June 30, 2023.

As of December 31, 2024 and 2023, the Group is in compliance with the reserve requirement.

Long Term Negotiable Certificates of Deposits (LTNCD)
On August 3, 2016, the BOD of the Parent Company approved the issuance of Long Term Negotiable Certificates of Deposits (LTNCD) of up to ₱20.00 billion in tranches of ₱5.00 billion to ₱10.00 billion each and with tenors ranging from 5 to 7 years to support the Group's strategic initiatives and business growth. On October 27, 2016, the Monetary Board of the BSP approved the LTNCD issuances.

On November 18, 2016, the Parent Company issued the first tranche at par with aggregate principal amount of ₱9.58 billion, which matured on May 18, 2022. The LTNCDs bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears.

On June 2, 2017, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱6.35 billion, which bear a fixed coupon rate of 3.65% per annum, payable quarterly in arrears, and matured on December 22, 2022, representing the second tranche of the ₱20.00 billion.

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.

The LTNCDs are included under the 'Time deposit liabilities' account.

18. Bonds Payable

The Parent Company's bonds payable consists of:

₱20.00 Billion Peso Fixed Rate Bonds due in 2024
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.

BSP Circular No. 830 requires reserves against peso-denominated bonds. As of December 31, 2023, the Group is in compliance with such regulation.

$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 (see Note 26) 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 (Note 6).

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, which was previously designated as a hedging instrument to the $150.00 million bonds payable with IFC. 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.

The movements in the Parent Company's total unamortized discount and debt issue cost on the above bonds payable follow:

	2024	2023
Beginning balance	**₱10,693**	₱50,380
Amortization	**(10,693)**	(57,320)
Pre-termination	**–**	17,633
Ending balance	**₱–**	₱10,693

19. Bills Payable

The Parent Company's bills payable consists of the Interbank loans payable amounting to ₱112.13 billion and ₱84.80 billion as of December 31, 2024 and 2023, respectively.

Interbank loans payable consists of foreign currency-denominated borrowings of the Parent Company with annual interest ranging from 0.39% to 6.20%, from 0.39% to 6.08%, and from 0.38% to 6.25% in 2024, 2023, and 2022, 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 ₱97.02 billion and ₱82.00 billion as of December 31, 2024 and 2023, 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 ₱2.50 billion and ₱9.90 billion as of December 31, 2024 and 2023, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱93.77 billion and ₱85.15 billion as of December 31, 2024 and 2023, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱570.33 million and ₱2.46 billion as of December 31, 2024 and 2023, respectively.

20. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Accrued interest payable	**₱4,640,566**	₱4,091,357	**₱3,751,169**	₱3,500,606
Accrued payable for employee benefits	**2,916,021**	2,884,023	**2,916,021**	2,884,023
Accrued taxes and other licenses	**525,103**	467,495	**347,345**	276,860
Accrued other expenses payable	**1,091,453**	1,146,335	**859,293**	837,938
	₱9,173,143	₱8,589,210	**₱7,873,828**	₱7,499,427

21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Financial liabilities				
Accounts payable	**₱7,038,905**	₱5,904,031	**₱4,885,368**	₱4,377,894
Lease liabilities (Note 27)	**3,010,314**	3,347,987	**2,232,817**	2,578,292
Due to PDIC	**1,163,656**	1,030,459	**1,163,656**	1,030,459
Due to the Treasurer of the Philippines	**844,133**	720,591	**800,502**	676,961
Acceptances payable	**571,978**	2,269,296	**571,978**	2,269,296
Expected credit losses on off-balance sheet exposures (Note 16)	**542,135**	507,602	**542,135**	507,602
Other credits – dormant	**488,888**	414,714	**472,508**	414,714
Miscellaneous	**485,755**	1,103,337	**358,721**	929,064
	14,145,764	15,298,017	**11,027,685**	12,784,282
Non-financial liabilities				
Withholding taxes payable	**538,618**	292,475	**414,748**	205,055
Retirement liabilities (Note 25)	**30,266**	30,393	**–**	–
	568,884	322,868	**414,748**	205,055
	₱14,714,648	₱15,620,885	**₱11,442,433**	₱12,989,337

Accounts payable includes 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		
	2024	2023	2022	**2024**	2023	2022
Service and collection charges:						
Deposits	**₱809,656**	₱789,316	₱724,365	**₱767,351**	₱708,979	₱655,020
Remittances	**160,890**	175,000	189,575	**160,890**	175,000	189,575
Loans	**100,033**	212,432	191,466	**15,242**	14,943	13,099
Others	**518,735**	392,059	320,381	**315,980**	303,693	246,405
	1,589,314	1,568,807	1,425,787	**1,259,463**	1,202,615	1,104,099
Fees and commissions	**1,868,542**	1,731,362	1,437,291	**885,612**	719,321	594,291
	₱3,457,856	₱3,300,169	₱2,863,078	**₱2,145,075**	₱1,921,936	₱1,698,390

Trading and Securities Gain (Loss) – Net

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Financial assets at FVOCI	**₱908,639**	₱326,063	₱3,465	**₱909,820**	₱326,063	₱3,465
Held-for-trading (Note 9)	**364,764**	232,021	(266,127)	**363,557**	141,052	(279,956)
Derivatives (Note 26)	**(164,607)**	570,948	1,190,200	**(164,607)**	570,948	1,190,200
	₱1,108,796	₱1,129,032	₱927,538	**₱1,108,770**	₱1,038,063	₱913,709

Miscellaneous Income

Details of this account are as follows:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Bancassurance (Note 11)	**₱409,255**	₱337,123	₱452,420	**₱357,939**	₱294,583	₱394,198
Rental on investment properties	**130,549**	90,428	118,898	**73,843**	79,735	69,741
Dividends (Note 8)	**123,788**	93,764	100,627	**107,673**	85,989	98,748
Rental of safety deposit boxes	**29,359**	29,537	30,693	**29,359**	29,537	30,693
Fund transfer fees	**40,702**	23,730	17,144	**40,702**	23,730	17,144
Miscellaneous income (Notes 10, 12, 13, and 30)	**8,186,728**	871,015	4,502,397	**7,964,773**	662,888	4,387,751
	₱8,920,381	₱1,445,597	₱5,222,179	**₱8,574,289**	₱1,176,462	₱4,998,275

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		
	2024	2023	2022	**2024**	2023	2022
Information technology	**₱1,642,793**	₱1,121,290	₱810,466	**₱1,914,465**	₱1,381,030	₱1,040,601
Litigations	**395,221**	325,189	332,029	**176,494**	147,700	95,482
Service charges	**97,087**	108,559	128,809	**97,087**	105,081	125,376
Freight	**95,438**	86,391	67,650	**60,753**	59,133	44,774
Clearing and processing fee	**54,836**	25,305	27,827	**51,329**	25,305	27,827
Broker's fee	**40,636**	27,780	19,896	**40,636**	27,780	19,896
Membership fees and dues	**24,945**	27,269	20,648	**23,393**	26,015	19,589
Miscellaneous expense	**1,361,329**	1,201,834	1,612,772	**931,343**	885,229	1,230,723
	₱3,712,287	₱2,923,617	₱3,020,097	**₱3,295,500**	₱2,657,273	₱2,604,268

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, 2024 and 2023 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					
	2024			2023		
	Within Twelve Months	**Over Twelve Months**	**Total**	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱18,260,927**	**₱–**	**₱18,260,927**	₱15,998,094	₱–	₱15,998,094
Due from BSP	**82,639,923**	**–**	**82,639,923**	84,595,973	–	84,595,973
Due from other banks	**12,540,230**	**–**	**12,540,230**	19,964,415	–	19,964,415
Interbank loans receivable and SPURA	**20,326,149**	**–**	**20,326,149**	34,720,250	–	34,720,250
Financial assets at FVTPL	**11,191,023**	**111,731**	**11,302,754**	13,569,574	61,713	13,631,287
Derivative contracts designated as hedges	**831**	**2,765,541**	**2,766,372**	–	3,946,553	3,946,553
Financial assets at FVOCI	**7,425,887**	**124,997,149**	**132,423,036**	9,940,487	96,601,000	106,541,487
Investment securities at amortized cost	**20,480,724**	**372,265,176**	**392,745,900**	20,745,578	360,257,359	381,002,937
Loans and receivables – gross	**349,718,324**	**583,355,776**	**933,074,100**	191,202,974	599,792,264	790,995,238
Accrued interest receivable – gross	**14,013,839**	**–**	**14,013,839**	11,967,064	–	11,967,064
Other assets – gross	**4,287,273**	**1,691,896**	**5,979,169**	3,942,484	1,676,807	5,619,291
	540,885,130	**1,085,187,269**	**1,626,072,399**	406,646,893	1,062,335,696	1,468,982,589
Non-financial assets						
Bank premises, furniture, fixtures and equipment − net of accumulated depreciation and amortization	–	**9,795,106**	**9,795,106**	–	10,078,844	10,078,844
Investment properties − net of accumulated depreciation	–	**7,330,634**	**7,330,634**	–	4,360,448	4,360,448
Deferred tax assets	–	**5,509,764**	**5,509,764**	–	6,505,865	6,505,865
Investments in associates	–	**1,978,893**	**1,978,893**	–	1,389,952	1,389,952
Intangible assets	–	**4,700,024**	**4,700,024**	–	4,070,151	4,070,151
Goodwill	–	**839,748**	**839,748**	–	839,748	839,748
Other assets – gross	**4,407,418**	**1,885,859**	**6,293,277**	2,814,495	734,973	3,549,468
	4,407,418	**32,040,028**	**36,447,446**	2,814,495	27,979,981	30,794,476
Allowance for impairment and credit losses (Note 16)			**(18,254,626)**			(20,111,362)
Unearned premium (discount) (Notes 9 and 10)			**1,828,193**			(1,622,481)
			(16,426,433)			(21,733,843)
			₱1,646,093,412			₱1,478,043,222
Financial liabilities						
Deposit liabilities	**₱1,319,562,854**	**₱11,583,824**	**₱1,331,146,678**	₱1,171,118,878	₱15,604,677	₱1,186,723,555
Bills payable	**111,842,107**	**291,031**	**112,133,138**	84,798,489	–	84,798,489
Bonds payable	**–**	**–**	**–**	19,989,307	–	19,989,307
Manager's checks	**1,688,304**	**–**	**1,688,304**	2,109,463	–	2,109,463
Accrued interest and other expenses*	**8,648,040**	**–**	**8,648,040**	8,121,715	–	8,121,715
Derivative liabilities	**947,654**	**–**	**458,620**	938,722	–	938,722
Derivative contracts designated as hedges	**6,224,371**	**17,034**	**6,241,405**	7,436,719	612,698	8,049,417
Other liabilities	**14,145,764**	**–**	**14,145,764**	15,298,017	–	15,298,017
	1,463,059,094	**12,350,509**	**1,475,409,603**	1,309,811,310	16,217,375	1,326,028,685
Non-financial liabilities						
Accrued interest and other expenses	**525,103**	**–**	**525,103**	467,495	–	467,495
Deferred tax liabilities	**–**	**791,376**	**791,376**	–	792,114	792,114
Income tax payable	**218,806**	**–**	**218,806**	133,659	–	133,659
Other liabilities	**538,618**	**30,266**	**568,884**	292,475	30,393	322,868
	1,282,527	**821,642**	**2,104,169**	893,629	822,507	1,716,136
	₱1,464,341,621	**₱13,172,151**	**₱1,477,513,772**	₱1,310,704,939	₱17,039,882	₱1,327,744,821

*Accrued interest and other expenses include accrued interest payable, accrued payable for employee benefits, and accrued other expenses payable (Note 20).

	Parent Company					
	2024			2023		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	**₱13,230,415**	**₱–**	**₱13,230,415**	₱13,041,135	₱–	₱13,041,135
Due from BSP	**61,109,605**	**–**	**61,109,605**	73,156,991	–	73,156,991
Due from other banks	**11,365,807**	**–**	**11,365,807**	17,352,830	–	17,352,830
Interbank loans receivable and SPURA	**20,326,149**	**–**	**20,326,149**	31,075,654	–	31,075,654
Financial assets at FVTPL	**10,240,674**	**11,297**	**10,251,971**	12,631,250	10,813	12,642,063
Derivative contracts designated as hedges	**–**	**2,766,372**	**2,766,372**	–	3,946,553	3,946,553
Financial assets at FVOCI	**3,652,967**	**116,434,313**	**120,087,280**	1,045,144	92,781,292	93,826,436
Investment securities at amortized cost	**17,693,439**	**367,449,692**	**385,143,131**	20,106,841	353,996,148	374,102,989
Loans and receivables – gross	**212,766,409**	**583,355,775**	**796,122,184**	163,527,755	514,421,160	677,948,915
Accrued interest receivable − gross	**12,398,588**	**–**	**12,398,588**	10,513,858	–	10,513,858
Other assets – gross	**2,586,019**	**262,860**	**2,848,879**	2,422,146	240,330	2,662,476
	365,370,072	**1,070,280,309**	**1,435,650,381**	344,873,604	965,396,296	1,310,269,900
Non-financial assets						
Bank premises, furniture, fixtures and equipment − net of accumulated depreciation and amortization	**–**	**7,702,137**	**7,702,137**	–	8,086,119	8,086,119
Investment properties − net of accumulated depreciation	**–**	**5,110,275**	**5,110,275**	–	1,996,166	1,996,166
Deferred tax assets	**–**	**3,720,959**	**3,720,959**	–	4,961,076	4,961,076
Investments in subsidiaries	**–**	**25,434,475**	**25,434,475**	–	22,676,868	22,676,868
Investment in associates	**–**	**1,978,893**	**1,978,893**	–	1,389,952	1,389,952
Intangible assets	**–**	**1,411,898**	**1,411,898**	–	783,317	783,317
Goodwill	**–**	**222,841**	**222,841**	–	222,841	222,841
Other assets – gross	**3,063,536**	**1,836,058**	**4,899,594**	1,808,092	665,588	2,473,680
	3,063,536	**47,417,536**	**50,481,072**	1,808,092	40,781,927	42,590,019
Allowance for impairment and credit losses (Note 16)			**(14,199,967)**			(15,889,555)
Unearned premium (discount) (Notes 9 and 10)			**3,081,092**			(440,915)
			(11,118,875)			(16,330,470)
			₱1,475,012,578			₱1,336,529,449
Financial liabilities						
Deposit liabilities	**₱1,164,261,251**	**₱1,466,737**	**₱1,165,727,988**	₱1,043,436,247	₱7,138,507	₱1,050,574,754
Bills payable	**111,842,107**	**291,031**	**112,133,138**	84,798,489	–	84,798,489
Bonds payable	**–**	**–**	**–**	19,989,307	–	19,989,307
Manager's checks	**1,484,625**		**1,484,625**	1,419,764	–	1,419,764
Accrued interest and other expenses*	**7,526,483**	**–**	**7,526,483**	7,222,567	–	7,222,567
Derivative liabilities	**1,406,274**	**–**	**1,406,274**	938,722	–	938,722
Derivative contracts designated as hedges	**6,224,371**	**17,304**	**6,241,405**	7,436,719	612,698	8,049,417
Other liabilities	**11,027,685**	**–**	**11,027,685**	12,784,282	–	12,784,282
	1,303,772,526	**1,774,802**	**1,305,547,598**	1,178,026,097	7,751,205	1,185,777,302
Non-financial liabilities						
Accrued interest and other expenses	**₱347,345**	**₱–**	**₱347,345**	₱276,860	₱–	₱276,860
Income tax payable	**207,544**	**–**	**207,544**	48,083	–	48,083
Other liabilities	**414,748**	**–**	**414,748**	205,055	–	205,055
	969,637	**–**	**969,637**	529,998	–	529,998
	₱1,304,742,433	**₱1,774,802**	**₱1,306,517,235**	₱1,178,556,095	₱7,751,205	₱1,186,307,300

*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):

	2024		2023	
	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	**2,691,340,312**	**₱26,913,403**	2,691,288,212	₱26,912,882
Issuance through stock grant	**2,700**	**27**	52,100	521
Balance at end of year	**2,691,343,012**	**₱26,913,430**	2,691,340,312	₱26,913,403

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:

Date of SEC Approval	Authorized Shares*
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 1,790 and 1,826 as of December 31, 2024 and 2023, 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

Date of Declaration	Date of Record	Date of Payment	Cash Dividend Per Share
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, 2024 and 2023, 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 ₱13.93 billion and ₱10.41 billion as of December 31, 2024 and 2023, 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, 2024 and 2023.

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, 2024 and 2023 as reported to the BSP are shown in the table below.

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
	(Amounts in Million Pesos)			
CET 1 Capital	**₱161,948**	₱147,553	**₱159,121**	₱144,740
Less: Regulatory Adjustments	**14,626**	16,355	**31,791**	31,153
	147,322	131,198	**127,330**	113,587
Additional Tier 1 Capital	–	–	–	–
Less: Regulatory Adjustments	–	–	–	–
	–	–	–	–
Net Tier 1 Capital	**147,322**	131,198	**127,330**	113,587
Tier 2 Capital	**8,504**	7,632	**7,256**	6,587
Less: Regulatory Adjustments	–	–	–	–
Net Tier 2 Capital	**8,504**	7,632	**7,256**	6,587
Total Qualifying Capital	**₱155,826**	₱138,830	**₱134,586**	₱120,174

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
	(Amounts in Million Pesos)			
Credit RWA	**₱850,365**	₱761,451	**₱724,866**	₱656,483
Market RWA	**18,645**	14,365	**19,102**	13,921
Operational RWA	**93,172**	84,404	**78,892**	72,233
Total RWA	**₱962,182**	₱860,220	**₱822,860**	₱742,637
CET 1 capital ratio	**15.31%**	15.25%	**15.47%**	15.30%
Tier 1 capital ratio	**15.31%**	15.25%	**15.47%**	15.30%
Total capital ratio	**16.20%**	16.14%	**16.36%**	16.18%

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. BSP normally requires submission of the ICAAP document every March 31.

However, for 2021 and 2022, in view of the pandemic, the BSP adjusted the deadline for submission from March 31 to June 30. It reverted back to March 31 for 2023. The Group has also complied with this requirement.

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 2024 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, 2024 and 2023 as reported to the BSP are shown in the table below.

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
	(Amounts in Millions)			
Tier 1 Capital	**₱147,322**	₱131,198	**₱127,330**	₱113,587
Exposure Measure	**1,578,677**	1,412,944	**1,386,390**	1,252,635
Leverage Ratio	**9.33%**	9.29%	**9.18%**	9.07%

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 Liquidity Coverage Ratio (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, 2024 and 2023, the LCR in single currency is 110.67% and 127.02%, respectively, for the Group and 108.67% and 125.61%, 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 Liquidity Coverage Ratio (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, 2024 and 2023, the NSFR is 112.92% and 113.47%, respectively, for the Group and 110.82% and 111.84%, 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, 2024.

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**	
	2024	2023	**2024**	2023
Net plan assets (Note 15)	**₱1,885,859**	₱734,973	**₱1,836,058**	₱665,588
Retirement liabilities (Note 21)	**(30,266)**	(30,393)	**–**	–
	₱1,855,593	₱704,580	**₱1,836,058**	₱665,588

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**						
	January 1, 2024	**Current service cost**	**Net interest**	**Net pension expense***	**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**
	(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	**₱6,599,522**	**₱–**	**₱394,566**	**₱394,566**	**(₱568,068)**	**₱1,349,225**	**₱–**	**₱–**	**₱–**	**₱1,349,225**	**₱310,750**	**₱8,085,995**
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	**₱704,580**	**(₱578,411)**	**₱42,113**	**(₱536,298)**	**₱–**	**₱1,349,225**	**₱24,804**	**(₱13,377)**	**₱15,909**	**₱1,376,561**	**₱310,750**	**₱1,855,593**

**Presented under Compensation and fringe benefits in the statements of income.*

Consolidated

		Net benefit cost				Remeasurements in OCI						
	January 1, 2023	Current service cost	Net interest	Net pension expense*	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, 2023
	(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	₱5,798,068	₱–	₱387,778	₱387,778	(₱432,707)	₱57,410	₱–	₱–	₱–	₱57,410	₱788,973	₱6,599,522
Present value of defined benefit obligation	5,420,341	509,507	362,700	872,207	(432,707)	–	(35,515)	80,380	(9,764)	35,101	–	5,894,942
Net defined benefit asset	₱377,727	(₱509,507)	₱25,078	(₱484,429)	₱–	₱57,410	₱35,515	(₱80,380)	₱9,764	₱22,309	₱788,973	₱704,580

**Presented under Compensation and fringe benefits in the statements of income.*

	Parent Company												
		Net benefit cost					**Remeasurements in OCI**						
	January 1, 2024	**Current service cost**	**Net interest**	**Net pension expense***	**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**
	(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.*

	Parent Company												
		Net benefit cost					Remeasurements in OCI						
	January 1, 2023	Current service cost	Net interest	Net pension expense*	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, 2023
	(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	₱5,084,943	₱–	₱340,691	₱340,691	₱–	(₱386,709)	₱86,283	₱–	₱–	₱–	₱86,283	₱690,000	₱5,815,208
Present value of defined benefit obligation	4,797,823	419,190	321,437	740,627	(337)	(386,709)	–	(49,822)	60,126	(12,088)	(1,784)	–	5,149,620
Net defined benefit asset	₱287,120	(₱419,190)	₱19,254	(₱399,936)	₱337	₱–	₱86,283	₱49,822	(₱60,126)	₱12,088	₱88,067	₱690,000	₱665,588

**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 2025 amounting to ₱118.22 million and nil, respectively.

In 2024 and 2023, the major categories of plan assets and its percentage of the fair value of total plan assets are as follows:

	Consolidated			
	2024		2023	
	Amount	**%**	Amount	%
Deposits in banks	**₱604**	**0.01%**	₱7,265	0.11%
Financial assets at FVTPL				
Quoted debt securities	**4,093,508**	**50.63%**	3,734,614	56.59%
Quoted equity securities	**217,240**	**2.69%**	875,251	13.26%
Parent Company shares	**2,783,541**	**34.42%**	1,683,769	25.51%
Investments in unit investment trust fund	**833,218**	**10.30%**	90,453	1.37%
Loans and receivable	**116**	**0.00%**	116	0.00%
Investment properties*	**3,023**	**0.04%**	3,023	0.05%
Other assets	**154,745**	**1.91%**	205,031	3.11%
	₱8,085,995	**100.00%**	₱6,599,522	100.00%

* Investment properties comprise properties located in Manila

	Parent Company			
	2024		2023	
	Amount	**%**	Amount	%
Deposits in banks	**₱503**	**0.01%**	₱7,195	0.12%
Financial assets at FVTPL				
Quoted debt securities	**3,569,074**	**49.62%**	3,273,228	56.30%
Quoted equity securities	**62,621**	**0.87%**	733,867	12.62%
Parent Company shares	**2,783,541**	**38.71%**	1,683,769	28.95%
Investments in unit investment trust fund	**670,945**	**9.33%**	–	0.00%
Loans and receivable	**116**	**0.00%**	116	0.00%
Investment properties*	**3,000**	**0.04%**	3,000	0.05%
Other assets	**101,882**	**1.42%**	114,033	1.96%
	₱7,191,682	**100.00%**	₱5,815,208	100.00%

* Investment properties comprise properties located in Manila

The principal actuarial assumptions used in 2024 and 2023 in determining the retirement liability for the Group's and Parent Company's retirement plans are shown below:

	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%**

	2023					
	Parent	CBSI	CIBI	CBC−PCCI	CBCC	CBSC
Discount rate	5.98%	5.96%	6.03%	6.00%	6.00%	5.99%
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, 2024	**Parent**	**CBSI**	**CIBI**	**CBC-PCCI**	**CBCC**	**CBSC**
Discount rate						
(+1%)	**(₱109,121)**	**(₱29,687)**	**(₱2,610)**	**(₱5,099)**	**(₱3,585)**	**(₱1,154)**
(−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)**

December 31, 2023	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(₱78,942)	(₱22,213)	(₱2,168)	(₱3,858)	(₱2,540)	(₱522)
(−1%)	110,847	27,113	2,771	4,571	3,016	636
Salary increase rate						
(+1%)	104,562	26,015	2,670	4,350	2,909	613
(−1%)	(76,103)	(21,863)	(2,136)	(3,754)	(2,506)	(514)

The weighted average durations (in years) of the defined benefit obligation are presented below:

	December 31, 2024	December 31,2023
Parent Company	**8**	8
CBSI	**7**	6
CIBI	**15**	15
CBC-PCCI	**11**	11
CBCC	**13**	11
CBSC	**16**	9

The maturity analyses of the undiscounted benefit payments as of December 31, 2024 and 2023 are as follows:

December 31, 2024	**Parent**	**CBSI**	**CIBI**	**CBC−PCCI**	**CBCC**	**CBSC**	**Total**
1 year and less	**₱1,953,994**	**₱26,805**	**₱–**	**₱3,678**	**₱–**	**₱–**	**₱1,984,477**
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 to 20 years	**5,438,749**	**1,453,424**	**89,966**	**395,670**	**67,517**	**14,867**	**7,460,193**
More than 20 years	**26,159,782**	**12,855,741**	**875,340**	**1,664,890**	**491,479**	**251,478**	**42,298,710**

December 31, 2023	Parent	CBSI	CIBI	CBC−PCCI	CBCC	CBSC	Total
1 year and less	₱1,599,180	₱1,226	₱–	₱16,246	₱–	₱–	₱1,616,652
More than 1 year to 5 years	1,898,007	148,252	3,660	26,878	–	1,584	2,078,381
More than 5 years to 10 years	2,465,273	645,020	18,492	61,331	–	2,767	3,192,883
More than 10 years to 15 years	4,000,343	661,767	15,142	195,615	67,460	7,737	4,948,064
More than 15 years to 20 years	6,363,208	1,282,602	40,076	280,759	101,107	15,050	8,082,802
More than 20 years	30,587,618	11,310,935	876,018	1,272,314	448,822	225,291	44,720,998

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**

<u>Derivative Contracts not Designated as Hedges</u>

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, 2024 and 2023, the fair values of these derivatives follow:

	2024		2023	
	Derivative Asset	**Derivative Liability**	Derivative Asset	Derivative Liability
Currency forwards	**₱1,368,655**	**₱861,726**	₱311,418	₱417,844
Interest rate swaps (IRS)	**485,011**	**459,699**	450,913	444,621
Futures	**1,858**	**13**	296	76,257
Cross currency swaps	**13,205**	**84,836**	–	–
Warrants	**11,297**	**–**	10,813	–
	₱1,880,026	**₱1,406,274**	₱773,440	₱938,722

Currency forwards

As of December 31, 2024 and 2023, the aggregate notional amount of outstanding currency forwards and its weighted average rate are as follows:

		2024				2023			
		Notional Amount	**Weighted Average Rate**	**Derivative Assets**	**Derivative Liability**	Notional Amount	Weighted Average Rate	Derivative Assets	Derivative Liability
US Dollar	Buy	**$ 1,358,351**	**₱57.04**	**₱621,380**	**₱675,229**	$788,254	₱56.12	₱20,566	₱391,367
	Sell	**$ 1,105,249**	**₱58.71**	**720,316**	**160,645**	$711,266	₱55.72	199,910	19,692
Euro	Buy	–	–	**–**	**–**	€1,900	₱61.28	–	5,676
	Sell	**€2,000**	**₱61.59**	**14,840**	**–**	€38,000	₱61.59	8,021	1
Japanese Yen	Buy	**¥1,118,378**	**₱0.3912**	**8,406**	–	¥5,500,000	₱0.3849	81,480	–
	Sell	**¥100,500**	**0.3689**	**–**	**23,225**	¥147,000	₱0.3922	51	–
Chinese Yuan	Buy	**CNY45,000**	**₱7.98**	**44**	–	CNY18,000	₱7.79	543	–
	Sell	**29,000**	**₱7.93**	**–**	**2,627**	CNY10,000	₱7.78	31	–
Singaporean Dollar	Buy	**$1,300**	**₱42.52**	**124**	–	–	–	–	–
	Sell	–	–	**–**	–	$463	₱42.01	2	–
Swiss Franc	Sell	**CHF220**	**₱63.77**	**55**	–	–	–	–	–
Korean Won	Buy	–	–	**–**	–	₩1,000,000	₱0.0419	814	–
	Sell	**₩5,000,000**	**₱0.0399**	**3,490**	**–**	₩5,000,000	₱0.0425	–	1,108
				₱1,368,655	**₱861,726**			₱311,418	₱417,844

Interest rate swaps

The aggregate notional amounts of the outstanding IRS as of December 31, 2024 and 2023 are as follows:

		2024			2023		
		Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
Peso-denominated							
	Fixed Receiver	**₱–**	**₱–**	**₱–**	₱500,000	₱107	₱–
US dollar-denominated							
	Fixed Receiver	**$169,198**	**485,011**	**–**	$189,198	450,806	–
	Fixed Payer	**$170,000**	**–**	**459,699**	$204,365	–	444,621
			₱485,011	**₱459,699**		₱450,913	₱444,621

Futures
The aggregate notional amounts of the outstanding futures are as follows:

	2024			2023		
	Notional Amount	**Derivative Asset**	**Derivative Liability**	Notional Amount	Derivative Asset	Derivative Liability
US Dollar-denominated						
Sell	**$3,300**	**₱1,858**	**₱13**	$35,000	₱296	₱76,257
		₱1,858	**₱13**	$35,000	₱296	₱76,257

Cross currency swaps
The aggregate notional amounts of the outstanding CCS amounted to US$255.00 million as of December 31, 2024.

	2024		
	Notional Amount	**Derivative Asset**	**Derivative Liability**
USD Dollar-denominated			
Fixed Payer	**$200,000**	**₱–**	**₱84,836**
Fixed Receive	**55,000**	**13,205**	**–**
		₱13,205	**₱84,836**

Fair Value Changes of Derivatives
The net movements in fair value changes of derivative instruments are as follows:

	2024	2023
Balance at beginning of year	**(₱165,282)**	(₱533,899)
Fair value changes during the year	**(3,971,574)**	(2,132,050)
Net settled transactions	**4,610,608**	2,500,667
Balance at end of year	**₱473,752**	(₱165,282)

The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2024	2023	2022
Foreign exchange losses	**(₱3,806,967)**	(₱2,702,998)	(₱2,811,674)
Trading and securities gain (loss)* (Note 22)	**(164,607)**	570,948	1,190,200
	(₱3,971,574)	(₱2,132,050)	(₱1,621,474)

*Net movements in the value related to IRS and futures

Interest income on IRS in 2024, 2023, and 2022 amounted to ₱491.11 million, ₱280.61 million, and ₱227.20 million, respectively, while interest expense on IRS in 2024, 2023, and 2022 amounted to ₱613.04 million, ₱290.57 million, and ₱250.64 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, 2024 and 2023, respectively:

				2024				
Hedged Item	**Hedging Instrument**	**Notional Amount**	**Date of Hedge Designation**	**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	**₱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**

				2023				
Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	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 Treasury time deposits	Receive float/ Pay fix IRS	$500,000	June 7, 2021	₱616,163	₱–	₱581,504	₱–	₱581,504
Current and forecasted issuance of RBB time deposits	Receive float/ Pay fix IRS	600,000	October 20, 2021	2,797,208	–	2,705,699	–	2,705,699
Cash short position in the RBU books and future interest payments pertaining to certain FX spot transactions	Spot element of FX forward contract	3,882,353	July 20, 2022	533,182	8,049,417	–	(2,041,009)	(2,041,009)
Total		$4,982,353		₱3,946,553	₱8,049,417	₱3,287,203	(₱2,041,009)	₱1,246,194

As of December 31, 2024 and 2023, 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 ₱302.73 million, ₱2.78 billion, and ₱620.19 million in 2024, 2023, and 2022, 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, ₱124.52 million, and nil for 2024, 2023, and 2022, 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 ₱14.01 billion, ₱7.90 billion, and ₱246.61 million for 2024, 2023, and 2022, 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	
	2024	2023	**2024**	2023
Beginning Balance	**₱3,347,987**	₱2,970,301	**₱2,578,292**	₱2,393,362
Additions	**666,762**	1,042,997	**421,919**	629,477
Interest expense	**249,750**	246,790	**187,662**	193,355
Payments	**(1,254,185)**	(912,101)	**(955,056)**	(637,902)
Ending Balance	**₱3,010,314**	₱3,347,987	**₱2,232,817**	₱2,578,292

Expenses related to short-term leases amounting to ₱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, ₱713.25 million and ₱565.72 million for the Group and Parent Company in 2022, respectively, are included in the 'Occupancy cost' account.

Total cash outflows for leases amounted to ₱1.86 billion and ₱1.38 billion for the Group and Parent Company in 2024, respectively, and ₱1.52 billion and ₱1.12 billion for the Group and Parent Company in 2023, 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	
	2024	2023	**2024**	2023
Within one year	**₱51,661**	₱15,885	**₱7,662**	₱7,662
After one year but not more than five years	**24,315**	43,802	**9,921**	15,589
	₱75,976	₱59,687	**₱17,583**	₱23,251

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Within one year	**₱653,351**	₱698,364	**₱635,942**	₱690,626
After one year but not more than five years	**2,289,787**	2,314,267	**1,737,075**	1,762,022
After more than five years	**919,710**	868,208	**705,159**	728,087
	₱3,862,848	₱3,880,839	**₱3,078,176**	₱3,180,735

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% to 1%, 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.

<u>TRAIN Law</u>
RA No. 10963, the Tax Reform for Acceleration and Inclusion (TRAIN), is the first package of the comprehensive tax reform program of the government. The bill was signed into law on December 19, 2017 and took effect on January 1, 2018, amending some provisions of the old Philippine tax system.

Except for resident foreign corporations, which, under the said law, is subject to 7.50%, tax on interest income of foreign currency deposit was increased to 15.00% under TRAIN. Documentary stamp tax on bank checks, drafts, certificate of deposit not bearing interest, all debt instruments, bills of exchange, letters of credit, mortgages, deeds, and others are now subjected to a higher rate.

<u>CREATE Law</u>
RA No. 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) was signed into law last March 26, 2021 and became effective on April 11, 2021. Under the CREATE Law, interest income of foreign currency remittance transaction deposit received by resident foreign corporations are now subject to 15.00% final tax.

In 2021, the Group applied the provisions of the CREATE Law on its income tax payable, deferred tax assets, and deferred tax liabilities as of December 31, 2020.

There were no tax-related contingent liabilities and contingent assets arising from the changes in the tax rates due to CREATE Law.

RR 4-2011
On March 15, 2011, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 4-2011 which prescribed the attribution and allocation of expenses between FCDUs/EFCDUs or OBU

and RBU and within RBU. In 2015, the Parent Company and other member banks of the BAP, filed a case questioning the validity of the said RR. On May 10, 2022, the Supreme Court Decision ruled that RR No. 4-2011 is invalid and void.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Current						
Final tax	**₱4,013,302**	₱3,295,691	₱1,820,926	**₱3,979,777**	₱3,269,539	₱1,811,756
RCIT	**2,123,093**	1,802,343	1,293,540	**1,526,795**	1,208,582	829,345
	6,136,395	5,098,034	3,114,466	**5,506,572**	4,478,121	2,641,101
Deferred	**477,427**	(1,308,131)	35,196	**727,977**	(1,179,583)	220,887
	₱6,613,822	₱3,789,903	₱3,149,662	**₱6,234,549**	₱3,298,538	₱2,861,988

The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Deferred tax assets (liabilities) on:				
Allowance for impairment and credit losses	**₱4,387,180**	₱5,041,487	**₱3,000,531**	₱3,635,904
Revaluation increment on land (Notes 12 and 24)	**(456,171)**	(456,171)	**(456,171)**	(456,171)
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	**(442,466)**	(84,678)	**(372,375)**	(201,911)
Net defined benefit asset	**(459,741)**	(171,407)	**(459,015)**	(158,796)
Derivative contracts designated as hedges	**1,352,693**	1,805,532	**1,352,693**	1,805,532
Others	**1,128,269**	371,102	**655,296**	336,518
	₱5,509,764	₱6,505,865	**₱3,720,959**	₱4,961,076

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	
	2024	2023	**2024**	2023
Deferred tax liabilities (assets) on:				
Branch licenses arising from acquisition of PDB	**₱697,995**	₱637,500	**₱–**	₱–
Fair value adjustments on net assets/ liabilities of PDB and Unity Bank, and others	**93,381**	154,614	**–**	–
	₱791,376	₱792,114	**₱–**	₱–

In 2024, deferred tax debited to OCI amounted to ₱518.08 million and ₱512.14 million for the Group the Parent Company, respectively. In 2023, deferred tax debited to OCI amounted to ₱647.25 million and ₱630.88 million for the Group and the Parent Company, respectively.

The Group did not set up deferred tax assets on other temporary differences amounting to ₱270.09 million and ₱865.25 million as of December 31, 2024 and 2023, 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		
	2024	2023	2022	**2024**	2023	2022
Statutory income tax	**₱7,856,250**	₱6,452,032	₱5,571,366	**₱7,759,457**	₱6,327,332	₱5,492,373
Tax effects of						
FCDU income	**75,197**	(815,421)	(1,207,137)	**82,006**	(813,259)	(1,201,231)
Non-taxable income	**(2,579,515)**	(1,525,269)	(2,016,646)	**(2,332,067)**	(1,357,900)	(1,856,145)
Interest income subjected to final tax	**(1,021,768)**	(821,950)	(414,022)	**(904,944)**	(743,943)	(386,422)
Nondeductible expenses	**2,196,068**	538,939	1,357,123	**1,868,190**	182,417	918,033
Others	**87,590**	(38,428)	(141,022)	**(238,093)**	(296,109)	(104,620)
Provision for income tax	**₱6,613,822**	₱3,789,903	₱3,149,662	**₱6,234,549**	₱3,298,538	₱2,861,988

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 ₱3.16 billion and ₱2.91 billion as of December 31, 2024 and 2023, 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.

<u>Transactions with Retirement Plans</u>
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 ₱67.71 million and ₱59.84 million, respectively, in 2024, ₱56.74 million and ₱49.77 million, respectively, in 2023, and ₱53.24 million and ₱46.24 million, respectively, in 2022. 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	
	2024	2023	**2024**	2023
Deposits in banks	**₱604**	₱7,265	**₱503**	₱7,195
Financial assets at FVTPL	**3,465,781**	1,683,769	**3,465,781**	1,683,769
Dividend income	**120,074**	103,701	**120,074**	103,701
Interest income	**65**	98	**62**	95
Total market value of shares	**3,465,781**	1,683,769	**3,465,781**	1,683,769
Number of shares held (in thousands)	**54,579**	54,579	**54,579**	54,579

In 2022, dividend income and interest income of the retirement plan from investments and placements amounted to ₱54.58 million and ₱0.05 million, respectively, for the Group, and ₱54.58 million and ₱0.04 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		
	2024	2023	2022	**2024**	2023	2022
Short-term employee benefits	**₱1,188,263**	₱1,081,311	₱897,964	**₱1,057,231**	₱959,263	₱788,136
Post-employment benefits	**4,156**	4,864	3,477	**1,068**	1,907	1,663
	₱1,192,419	₱1,086,175	₱901,441	**₱1,058,299**	₱961,170	₱789,799

Members of the BOD are entitled to a per diem and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation. On July 18, 2022, the SEC approved the amendment of the Parent Company's by-laws increasing the per diem of the directors for attendance at each meeting of the Board or of any committees to an amount up to ₱10,000.00 (previously, a fixed amount of ₱500.00) to align with the current industry practice and standards.

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.

	December 31, 2024		
Category	**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)**		

	December 31, 2023		
Category	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		₱8,323,900	Secured with shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 0.62 years to 4.88 years; with allowance for credit losses of ₱4.54 million.
Issuances	₱–		
Repayments	(8,350)		
Associate			
Deposit liabilities		1,659	These are checking accounts with annual average rate of 0.13%.
Deposits	212		
Withdrawals	(1,523)		
Key Management Personnel			
Loans and receivables		3,656	Unsecured officer's credit card accounts with interest of 3.00% and loan accounts with average 5.00% rate.
Issuances	2,061		
Repayments	(1,569)		
Deposit liabilities		114,323	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	341,843		
Withdrawals	(348,676)		
Other Related Parties			
Loans and receivables		59,968,980	Secured and unsecured loans amounting to ₱5.16 billion and ₱54.8 billion, respectively, with interest rates ranging from 2.50 % to 10.80%; with remaining term to maturity between 0.01 years to 12.57 years; with allowance for credit losses of ₱371.3 million.
Issuances	17,261,831		
Repayments	(8,216,634)		
Deposit liabilities		541,801	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	592,183		
Withdrawals	(450,813)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2024, 2023, and 2022 follow:

	Significant Investor			Associate		
	2024	2023	2022	**2024**	2023	2022
Interest income	**₱247,304**	₱340,142	₱340,483	**₱–**	₱–	₱–
Interest expense	**–**	–	2	**1**	1	900

	Key Management Personnel			Other Related Parties		
	2024	2023	2022	**2024**	2023	2022
Interest income	**₱205**	₱161	₱164	**₱2,595,031**	₱2,725,039	₱2,161,943
Interest expense	**5,592**	4,566	4,139	**1,329**	1,200	990

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, 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)**		
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		**₱51,733,590**	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 ₱576.2 million.
Issuances	**₱17,969,453**		
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)**		

	December 31, 2023		
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor	Amount / Volume	Outstanding Balance	
Loans and receivables		₱8,323,900	Secured with shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 0.62 years to 4.88 years; with allowance for credit losses of ₱4.54 million.
Issuances	₱–		
Repayments	8,350		
Subsidiaries			
Deposit liabilities		590,094	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	35,904,257		
Withdrawals	(36,314,931)		
Associate			
Deposit liabilities		1,659	These are checking accounts with annual average rate of 0.13%.
Deposits	212		
Withdrawals	(1,523)		
Key Management Personnel			Unsecured officer's credit card accounts with interest of 3.00%.
Loans and receivables		995	
Issuances	2,061		
Repayments	1,165		
Deposit liabilities		21,942	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	305,427		
Withdrawals	(310,691)		

(Forward)

	December 31, 2023		
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Other Related Parties			
Loans and receivables		₱59,968,980	Secured and unsecured loans amounting to ₱5.16 billion and ₱54.8 billion, respectively, with interest rates ranging from 2.50 % to 10.80%; with remaining term to maturity between .001 years to 12.57 years; with allowance for credit losses of ₱371.3 million.
Issuances	₱17,261,831		
Repayments	8,216,634		
Deposit liabilities		267,455	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	569,431		
Withdrawals	(433,201)		

The related party transactions shall be settled in cash.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2024, 2023, and 2022 follow:

	Subsidiaries			**Associate**		
	2024	2023	2022	**2024**	2023	2022
Interest income	**₱–**	₱–	₱–	**₱–**	₱–	₱–
Interest expense	**797**	935	426	**1**	1	900

	Key Management Personnel			**Other Related Parties**		
	2024	2023	2022	**2024**	2023	2022
Interest income	**₱111**	₱18	₱2	**₱2,595,031**	₱2,725,039	₱2,161,943
Interest expense	**31**	30	29	**565**	282	290

	Significant Investor		
	2024	2023	2022
Interest income	**₱247,304**	₱340,142	₱340,483
Interest expense	**–**	–	2

Outright sale of debt securities of the Parent Company with its subsidiaries in 2024 and 2023 amounted to P21.27 billion and P2.84 billion, respectively.

The following table shows the amount and outstanding balance of other related party transactions included in the financial statements:

	Subsidiaries		
	2024	2023	**Nature, Terms and Conditions**
Balance Sheet			
Accounts receivable	**₱1,627**	₱33,970	This pertains to various expenses advanced by CBC in behalf of various subsidiaries.
Security deposits	**11,297**	10,981	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries			
	2024	2023	2022	**Nature, Terms and Conditions**
Income Statement				
Trust fee income	**₱607**	₱528	₱1,104	Trust Fee earned by Parent Company from CBCC
Rent income	**3,503**	3,351	3,191	Rent Income from CBCC
Miscellaneous income	**4,860**	3,850	9,984	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
Interest Income	**476**	1,078	251	Interest earned from cash in bank and short-term investment of Parent Company

(Forward)

	Subsidiaries			
	2024	2023	2022	**Nature, Terms and Conditions**
Other Income	**₱5,748**	₱23,776	₱3,623	Unrealized gain on money market funds of Parent Company
Occupancy cost	**41,041**	39,168	37,267	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	2,228	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds.
Information technology	**381,708**	340,908	294,483	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expenses	**2,090**	3,248	5,123	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	
	2024	2023	**2024**	2023
Foreign exchange bought	**₱406,093,820**	₱269,755,228	**₱406,093,820**	₱269,755,228
Trust department accounts (Note 29)	**318,595,935**	282,061,181	**318,595,935**	282,061,181
Foreign exchange sold	**83,797,174**	44,274,190	**83,797,174**	44,274,190
IRS receivable	**74,862,900**	99,809,626	**74,862,900**	99,809,626
Credit card lines (Note 6)	**37,045,774**	24,255,716	**37,045,774**	24,255,716
Unused commercial letters of credit (Note 6)	**16,237,162**	15,434,894	**16,183,487**	15,352,213
Spot exchange bought	**11,747,435**	2,619,034	**11,747,435**	2,619,034
Spot exchange sold	**5,751,617**	8,544,119	**5,751,617**	8,544,119
Committed credit lines (Note 6)	**5,322,938**	9,597,231	**5,322,938**	9,597,231
Standby credit commitment (Note 6)	**3,891,238**	3,334,366	**3,891,238**	3,334,366
Inward bills for collection	**3,539,872**	2,496,350	**3,539,872**	2,496,350
Outstanding guarantees issued (Note 6)	**3,441,848**	3,639,666	**1,163,035**	2,032,752
Late deposits/payments received	**387,904**	383,716	**384,242**	365,285
Deficiency claims receivable	**223,504**	280,195	**223,504**	280,195
Outward bills for collection	**12,495**	29,729	**10,378**	27,703
Others	**151,252**	9,180	**151,020**	8,742

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 corollary banking products and services offered to corporate and institutional customers as well as selected middle market clients;

b. Consumer Banking – principally handles home loans, contract-to-sell receivables, loans to developers, auto loans, credit cards for individual and/or corporate customers, cash management services, and remittance transactions;

c. Retail Banking Business – principally handles retail and commercial loans, individual and corporate deposits, overdrafts and funds transfer facilities, trade facilities, and all other services for retail customers;

d. Financial Markets – principally provides money market, trading and treasury services, manages the Bank'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;

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 Parent Bank's 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 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 performance measure, 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 contributes 10.00% 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 no longer presented.

The following tables present relevant financial information regarding business segments measured in accordance with PFRS as of and for the years ended December 31, 2024, 2023, and 2022:

	Institutional Banking			**Consumer Banking**		
	2024	2023	2022	**2024**	2023	2022
Results of Operations						
Net interest income						
Third party	**₱39,873,177**	₱33,129,532	₱25,742,307	**₱7,022,679**	₱5,845,803	₱5,075,687
Intersegment	**(30,800,122)**	(25,423,785)	(17,783,228)	**(5,211,201)**	(3,823,910)	(2,156,039)
	9,073,055	7,705,747	7,959,079	**1,811,478**	2,021,893	2,919,648
Other operating income	**8,288,562**	907,815	4,718,342	**1,679,347**	652,923	604,030
Total revenue	**17,361,617**	8,613,562	12,677,421	**3,490,825**	2,674,816	3,523,678
Other operating expense	**(2,878,919)**	(2,134,842)	(2,956,595)	**(3,029,002)**	(2,118,133)	(1,841,603)
Income before provisions and taxes	**14,482,698**	6,478,720	9,720,826	**461,823**	556,683	1,682,075
Reversal from (provision for) impairment and credit losses	**(2,435,081)**	19,714	(8,001,988)	**(91,865)**	132,471	496,119
Income before income tax	**12,047,617**	6,498,434	1,718,838	**369,958**	689,154	2,178,194
Provision for income tax	**(1,457,445)**	(118,365)	(173,284)	**252,198**	192,931	25,723
Net income	**₱10,590,172**	₱6,380,069	₱1,545,554	**₱622,156**	₱882,085	₱2,203,917
Total assets	**₱656,310,829**	₱534,327,778	₱487,101,912	**₱98,667,475**	₱87,575,351	₱74,317,662
Total liabilities	**₱1,199,048**	₱1,282,440	₱1,423,175	**₱3,335,086**	₱1,056,689	₱1,658,271
Depreciation and amortization	**₱100,974**	₱32,274	₱10,270	**₱275,025**	₱83,272	₱31,988
Capital expenditures	**₱20,386**	₱11,214	₱13,633	**₱57,166**	₱28,819	₱23,344

	Retail Banking Business			Financial Markets		
	2024	2023	2022	**2024**	2023	2022
Results of Operations						
Net interest income						
Third party	**(₱2,317,929)**	(₱899,965)	₱1,330,276	**₱10,562,284**	₱8,218,160	₱6,686,447
Intersegment	**25,376,743**	23,537,023	19,599,439	**10,473,434**	5,776,475	(92,666)
	23,058,814	22,637,058	20,929,715	**21,035,718**	13,994,635	6,593,781
Other operating income	**2,238,089**	2,953,934	3,350,278	**(12,851,006)**	(6,520,631)	(265,107)
Total revenue	**25,296,903**	25,590,992	24,279,993	**8,184,712**	7,474,004	6,328,674
Other operating expense	**(13,768,265)**	(12,926,729)	(12,296,179)	**(4,366,458)**	(3,989,905)	(2,679,584)
Income before provisions and taxes	**11,528,638**	12,664,263	11,983,814	**3,818,254**	3,484,099	3,649,090
Reversal from (provision for) impairment and credit losses	**(78,278)**	(462,358)	41,781	**86,649**	102,129	36,702
Income before income tax	**11,450,360**	12,201,905	12,025,595	**3,904,903**	3,586,228	3,685,792
Provision for income tax	**(1,384,621)**	(218,363)	(1,167,406)	**(3,644,680)**	(3,154,741)	(1,547,022)
Net income	**₱10,065,739**	₱11,983,542	₱10,858,189	**₱260,223**	₱431,487	₱2,138,770
Total assets	**₱642,463,095**	₱651,728,414	₱638,675,682	**₱538,442,015**	₱510,301,559	₱453,178,093
Total liabilities	**₱649,118,794**	₱639,647,311	₱650,550,449	**₱953,921,457**	₱742,577,884	₱516,851,926
Depreciation and amortization	**₱1,295,679**	₱1,358,704	₱1,248,459	**₱59,637**	₱53,190	₱26,443
Capital expenditures	**₱123,675**	₱185,393	₱161,139	**₱10,416**	₱16,756	₱17,512

	Other Business and Support Units			Subsidiaries		
	2024	2023	2022	**2024**	2023	2022
Results of Operations						
Net interest income						
Third party	**₱98,739**	₱1,011	₱354	**₱8,299,652**	₱7,233,264	₱6,754,461
Intersegment	**161,146**	(65,803)	432,494	**–**	–	–
	259,885	(64,792)	432,848	**8,299,652**	7,233,264	6,754,461
Other operating income	**34,485**	(73,502)	(457,270)	**2,682,087**	2,643,111	2,112,619
Total revenue	**294,370**	(138,294)	(24,422)	**10,981,739**	9,876,375	8,867,080
Other operating expense	**(206)**	(130,545)	29,942	**(6,827,608)**	(5,737,171)	(4,610,310)
Income before provisions and taxes	**294,164**	(268,839)	5,520	**4,154,131**	4,139,204	4,256,770
Reversal from (provision for) impairment and credit losses	**(12,882)**	(474)	35,411	**(783,251)**	(1,037,485)	(1,620,658)
Income before income tax	**281,282**	(269,313)	40,931	**3,370,880**	3,101,719	2,636,112
Provision for income tax	**–**	–	–	**(379,274)**	(491,365)	(287,673)
Net income	**₱281,282**	(₱269,313)	₱40,931	**₱2,991,606**	₱2,610,354	₱2,348,439
Total assets	**(₱460,870,833)**	(₱447,403,654)	(₱434,433,683)	**₱171,080,834**	₱141,513,774	₱110,889,800
Total liabilities	**(₱301,057,147)**	(₱198,257,025)	(₱86,159,361)	**₱170,996,536**	₱141,437,522	₱110,826,396
Depreciation and amortization	**₱–**	(₱1,406)	₱–	**₱556,739**	₱480,112	₱419,984
Capital expenditures	**₱889,662**	₱384,936	₱338,869	**₱129,105**	₱60,990	₱74,257

	Total		
	2024	2023	2022
Results of Operations			
Net interest income			
Third party	**₱63,538,602**	₱53,527,805	₱45,589,532
Intersegment	–	–	–
	63,538,602	53,527,805	45,589,532
Other operating income	**2,071,565**	563,650	10,062,892
Total revenue	**65,610,167**	54,091,455	55,652,424
Other operating expense	**(30,870,459)**	(27,037,325)	(24,354,329)
Income before provisions and taxes	**34,739,708**	27,054,130	31,298,095
Reversal from (provision for) impairment and credit losses	**(3,314,707)**	(1,246,003)	(9,012,633)
Income before income tax	**31,425,001**	25,808,127	22,285,462
Provision for income tax	**(6,613,822)**	(3,789,903)	(3,149,662)
Net income	**₱24,811,179**	₱22,018,224	₱19,135,800
Total assets	**₱1,646,093,412**	₱1,478,043,222	₱1,329,729,466
Total liabilities	**₱1,477,513,772**	₱1,327,744,821	₱1,195,150,856
Depreciation and amortization	**₱2,288,054**	₱2,006,146	₱1,737,144
Capital expenditures	**₱1,230,410**	₱688,108	₱628,754

The Group's share in net income of an associate included in other operating income amounting to ₱757.36 million, ₱435.08 million, and ₱285.06 million in 2024, 2023 and 2022, 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:

	2024	2023	2022
a. Net income attributable to equity holders of the parent	**₱24,803,274**	₱22,010,790	₱19,107,504
b. Weighted average number of common shares outstanding (Note 24)	**2,691,341**	2,691,340	2,691,288
c. Earnings per share – basic and diluted (a/b)	**₱9.22**	₱8.18	₱7.10

As of December 31, 2024, 2023 and 2022, 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		
	2024	2023	2022
Addition to investment properties from settlement of loans	**₱3,844,577**	₱1,116,442	₱789,405
Fair value gain on FVOCI financial assets	**273,372**	3,066,480	(4,160,402)
Addition to right-of-use assets	**666,762**	1,042,997	591,492
Cumulative translation adjustment	**(116,124)**	162,871	10,473
Addition to chattel mortgage from settlement of loans	**978,159**	481,175	77,886

	Parent Company		
	2024	2023	2022
Addition to investment properties from settlement of loans	**₱3,446,969**	₱528,951	₱273,651
Fair value gain (loss) in FVOCI financial assets	**271,368**	3,009,732	(4,036,849)
Addition to right-of-use assets	**421,919**	629,477	469,136
Cumulative translation adjustment	**(146,521)**	81,494	(25,046)
Addition to chattel mortgage from settlement of loans	**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, 2024 and 2023:

	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/pretermination	**–**	**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*

	Consolidated			
	2023			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱70,375,267	₱28,312,870	₱2,970,301	₱101,658,438
Cash flows during the year				
Proceeds	563,532,304	–		563,532,304
Settlement/payment*	(548,623,126)	(8,322,167)	(912,101)	(557,857,394)
Non-cash changes				
Additions	–		1,042,997	1,042,997
Accretion of interest	–	39,687	246,790	286,477
Foreign exchange movement	(485,956)	(41,083)	–	(527,039)
Balance at end of year	₱84,798,489	₱19,989,307	₱3,347,987	₱108,135,783

**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/pretermination	**–**	**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*

	Parent Company			
	2023			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱70,375,267	₱28,312,870	₱2,393,362	₱101,081,499
Cash flows during the year				
Proceeds	563,532,304	–	–	563,532,304
Settlement/payment*	(548,623,126)	(8,322,167)	(637,902)	(557,583,195)
Non-cash changes				
Additions	–	–	629,477	629,477
Accretion of interest	–	39,687	193,355	233,042
Foreign exchange movement	(485,956)	(41,083)	–	(527,039)
Balance at end of year	₱84,798,489	₱19,989,307	₱2,578,292	₱107,366,088

**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, 2024

				Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
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]**	**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**	–	–
	₱116,403957	**₱–**	**₱116,403,957**	**₱99,344,143**	**₱93,765,159**	**₱20,312,745**

Consolidated
December 31, 2023

				Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
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]	Financial instruments	Fair value of financial collateral	Net exposure [c−d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱12,631,270	₱–	₱12,631,270	₱12,631,270	₱12,631,270	₱–
Currency forwards	40,987,512	–	40,987,512	12,395,123	–	28,592,389
IRS	129,121	–	129,121	111,333	–	17,788
	₱53,747,903	₱–	₱53,747,903	₱25,137,726	₱12,631,270	₱28,510,177
Financial liabilities						
Bills payable	₱75,327,366	₱–	₱75,327,366	₱64,446,855	₱75,457,749	₱–
Currency forwards	15,366,327	–	15,366,327	12,395,123	–	2,971,204
IRS	994,451	–	994,451	111,333	–	883,118
	₱91,688,144	₱–	₱91,688,144	₱76,953,311	₱75,457,749	₱3,854,322

Parent Company
December 31, 2023

				Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
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]	Financial instruments	Fair value of financial collateral	Net exposure [c−d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
SPURA	₱8,986,674	₱–	₱8,986,674	₱8,986,674	₱8,986,674	₱–
Currency forwards	40,987,512	–	40,987,512	12,395,123	–	28,592,389
IRS	129,121	–	129,121	111,333	–	17,788
	₱50,103,307	₱–	₱50,103,307	₱21,493,130	₱8,986,674	₱28,610,177
Financial liabilities						
Bills payable	₱75,327,366	₱–	₱75,327,366	₱64,446,855	₱75,457,749	₱–
Currency forwards	15,366,327	–	15,366,327	12,395,123	–	2,971,204
IRS	994,451	–	994,451	111,333	–	883,118
	₱91,688,144	₱–	₱91,688,144	₱76,953,311	₱75,457,749	₱3,854,322

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 26, 2025.

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		
	2024	2023	2022	**2024**	2023	2022
Return on average equity	**15.56%**	15.46%	15.07%	**15.56%**	15.46%	15.07%
Return on average assets	**1.59%**	1.57%	1.56%	**1.76%**	1.72%	1.70%
Net interest margin	**4.45%**	4.24%	4.21%	**4.35%**	4.07%	3.93%

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			
	2024		2023	
	Amounts	**%**	Amounts	%
Real estate, renting and business services	**₱242,363,048**	**25.97**	₱214,867,430	27.16
Financial intermediaries	**130,270,720**	**13.96**	102,574,807	12.97
Electricity, gas and water	**104,305,696**	**11.18**	100,637,828	12.72
Arts, entertainment and recreation	**81,706,197**	**8.77**	48,962,012	6.19
Manufacturing	**81,513,606**	**8.75**	61,807,926	7.81
Transportation, storage and communication	**67,213,834**	**7.20**	54,284,111	6.86
Wholesale and retail trade	**57,044,333**	**6.11**	50,624,655	6.40
Accommodation and food service activities	**15,015,108**	**1.61**	10,171,827	1.29
Construction	**12,446,023**	**1.33**	11,193,782	1.42
Mining and quarrying	**12,416,050**	**1.33**	12,439,631	1.58
Agriculture	**11,475,821**	**1.23**	8,608,120	1.09
Education	**4,054,507**	**0.43**	3,986,419	0.50
Professional, scientific and technical activities	**2,633,548**	**0.28**	1,873,140	0.24
Public administration and defense	**205,322**	**0.02**	192,985	0.02
Others*	**110,410,287**	**11.83**	108,770,565	13.75
	₱933,074,100	**100.00**	₱790,995,238	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			
	2024		2023	
	Amounts	**%**	Amounts	%
Real estate, renting and business services	**₱207,431,806**	**26.06**	₱183,890,538	27.12
Financial intermediaries	**130,068,284**	**16.34**	102,372,440	15.10
Electricity, gas and water	**102,823,187**	**12.91**	98,999,202	14.61
Arts, entertainment and recreation	**81,669,821**	**10.26**	48,930,795	7.22
Manufacturing	**79,463,275**	**9.98**	60,053,892	8.86
Transportation, storage and communication	**65,969,078**	**8.29**	52,973,021	7.81
Wholesale and retail trade	**54,488,997**	**6.84**	48,457,409	7.15
Accommodation and food service activities	**14,435,122**	**1.81**	9,605,482	1.42
Mining and quarrying	**12,411,896**	**1.56**	12,435,720	1.83
Construction	**11,792,173**	**1.48**	10,449,504	1.54
Agriculture	**7,968,860**	**1.00**	6,065,522	0.89
Education	**3,562,977**	**0.45**	3,637,883	0.54
Professional, scientific and technical activities	**2,553,742**	**0.32**	1,795,656	0.26
Public administration and defense	**205,322**	**0.03**	192,985	0.03
Others*	**21,277,644**	**2.67**	38,088,866	5.62
	₱796,122,184	**100.00**	₱677,948,915	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					
	2024			2023		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱700,232,238**	**₱8,821,499**	**₱709,053,737**	₱583,158,675	₱14,755,319	₱597,913,994
Consumer lending:	**204,766,684**	**5,783,337**	**210,550,021**	174,103,327	5,055,578	179,158,905
Housing	**108,295,362**	**3,319,522**	**111,614,884**	97,856,796	3,302,592	101,159,388
Automatic Payroll Deduction	**64,234,548**	**1,540,184**	**65,774,732**	49,867,796	1,173,977	51,041,773
Auto	**26,190,760**	**634,074**	**26,824,834**	22,497,952	462,803	22,960,755
Credit Card	**4,904,857**	**215,092**	**5,119,949**	2,881,302	80,359	2,961,661
Others	**1,141,157**	**74,465**	**1,215,622**	999,481	35,847	1,035,328
Trade-related lending	**11,258,012**	**–**	**11,258,012**	11,955,041	242,373	12,197,414
Others	**142,823**	**3,286**	**146,109**	97,966	4,478	102,444
	₱916,399,757	**₱14,608,122**	**₱931,007,879**	₱769,315,009	₱20,057,748	₱789,372,757

	Parent Company					
	2024			2023		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	**₱686,971,213**	**₱7,537,975**	**₱694,509,188**	₱570,544,276	₱13,111,279	₱583,655,555
Consumer lending:	**86,930,369**	**3,319,309**	**90,249,678**	78,832,063	3,091,334	81,923,397
Housing	**77,370,222**	**3,029,808**	**80,400,030**	71,072,521	2,893,688	73,966,209
Auto	**4,648,460**	**73,441**	**4,721,901**	4,867,384	116,650	4,984,034
Credit Card	**4,904,857**	**215,092**	**5,119,949**	2,881,302	80,359	2,961,661
Others	**6,830**	**968**	**7,798**	10,856	637	11,493
Trade-related lending	**10,906,396**	**–**	**10,906,396**	11,670,675	242,374	11,913,049
Others	**19,526**	**2**	**19,528**	15,796	203	15,999
	₱784,827,504	**₱10,857,286**	**₱795,684,790**	₱661,062,810	₱16,445,190	₱677,508,000

Loans per security

As of December 31, 2024 and 2023, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Secured	**₱9,209,970**	₱13,173,475	**₱7,508,800**	₱11,432,038
Unsecured	**5,398,152**	6,884,273	**3,348,486**	5,013,152
	₱14,608,122	₱20,057,748	**₱10,857,286**	₱16,445,190

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			
	2024		2023		**2024**		2023	
	Amounts	**%**	Amounts	%	**Amounts**	**%**	Amounts	%
Loans secured by								
Real estate	**₱155,808,442**	**16.70**	₱109,418,722	13.83	**₱115,604,790**	**14.52**	₱74,868,845	11.04
Chattel mortgage	**28,134,839**	**3.02**	24,302,537	3.07	**5,389,225**	**0.68**	5,458,963	0.81
Guarantee by the Republic of the Philippines	**55,300**	**0.01**	65,508	0.01	**55,300**	**0.01**	65,508	0.01
Deposit hold out	**8,387,597**	**0.90**	6,759,661	0.85	**8,072,020**	**1.01**	6,521,592	0.96
Shares of stock of other banks	**5,982,000**	**0.64**	8,323,900	1.05	**5,982,000**	**0.75**	8,323,900	1.23
Others*	**145,127,890**	**15.54**	122,306,961	15.47	**145,056,060**	**18.22**	122,216,525	18.03
	343,496,068	**36.81**	271,177,289	34.28	**280,159,395**	**35.19**	217,455,333	32.08
Unsecured loans	**589,578,032**	**63.19**	519,817,949	65.72	**515,962,789**	**64.81**	460,493,582	67.92
	₱933,074,100	**100.00**	₱790,995,238	100.00	**₱796,122,184**	**100.00**	₱677,948,915	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 ₱106.97 billion and ₱75.33 billion, as of December 31, 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 ₱97.02 billion and ₱82.00 billion as of December 31, 2024 and 2023, 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 ₱2.50 billion and ₱9.90 billion as of December 31, 2024 and 2023, respectively. The fair value of investment securities at amortized cost pledged as collateral amounted to ₱93.77 billion and ₱85.15 billion as of December 31, 2024 and 2023, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱570.33 million and ₱2.46 billion as of December 31, 2024 and 2023, 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			
	2024		2023	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	**₱12,800,168**	**₱57,721,529**	₱9,222,120	₱68,300,578
Percent of DOSRI/Related Party loans to total loan portfolio	**1.37%**	**6.19%**	1.17%	8.63%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**0.78%**	**82.90%**	2.93%	64.90%
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			
	2024		2023	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	**₱6,459,983**	**₱57,719,293**	₱9,215,417	₱68,293,875
Percent of DOSRI/Related Party loans to total loan portfolio	**0.81%**	**7.25%**	1.36%	10.07%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	**1.39%**	**82.90%**	2.92%	64.91%
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**	
	2024	2023	**2024**	2023
Foreign exchange bought	**₱406,093,820**	₱269,755,228	**₱406,093,820**	₱269,755,228
Trust department accounts (Note 29)	**318,595,935**	282,061,181	**₱318,595,935**	282,061,181
Foreign exchange sold	**83,797,174**	44,274,190	**83,797,174**	44,274,190
IRS receivable	**74,862,900**	99,809,626	**74,862,900**	99,809,626
Credit card lines (Note 6)	**37,045,774**	24,255,716	**37,045,774**	24,255,716
Unused commercial letters of credit (Note 6)	**16,237,162**	15,434,894	**16,183,487**	15,352,213
Spot exchange bought	**11,747,435**	2,619,034	**11,747,435**	2,619,034
Spot exchange sold	**5,751,617**	8,544,119	**5,751,617**	8,544,119
Committed credit lines (Note 6)	**5,322,938**	9,597,231	**5,322,938**	9,597,231
Standby credit commitment (Note 6)	**3,891,238**	3,334,366	**3,891,238**	3,334,366
Inward bills for collection	**3,539,872**	2,496,350	**3,539,872**	2,496,350
Outstanding guarantees issued (Note 6)	**3,441,848**	3,639,666	**1,163,035**	2,032,752
Late deposits/payments received	**387,904**	383,716	**384,242**	365,285
Deficiency claims receivable	**223,504**	280,195	**223,504**	280,195
Outward bills for collection	**12,495**	29,729	**10,378**	27,703
Others	**151,252**	9,180	**151,020**	8,742

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 2024.

Gross receipts tax	₱3,461,298
Documentary stamps tax	1,332,292
Local taxes	116,413
Fringe benefit tax	19,049
Others	24,747
Total for the year	₱4,953,799

Withholding Taxes
Details of total remittances of withholding taxes in 2024 and amounts outstanding as of December 31, 2024 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱4,107,437	₱432,890
Withholding taxes on compensation and benefits	897,645	52,852
Expanded withholding taxes	260,002	15,874
	₱5,265,084	₱501,616

Tax Assessment
As of December 31, 2024, the Parent Company has no pending tax assessment from the BIR.