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S.E.C. Registration Number

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Company's Full Name)

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(Business Address: No. Street City/Town/ Province)

Mark S. Pantallon

Contact Person

8891-60-40

Company Telephone Number

1	2
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Month Day
Fiscal Year

3	1
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17 - A

FORM TYPE

04	29
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Month Day
Annual Meeting

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Secondary License Type, If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number/Section

35,918

Total No. of Stockholders

Total amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

LCU

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SEC Number AS096-005555
File Number

**PHILIPPINE NATIONAL BANK
AND SUBSIDIARIES**

(Company's Full Name)

**PNB Financial Center,
Pres. Diosdado P. Macapagal Boulevard, Pasay City**

(Company's Address)

(632) 8891-6040 to 70

(Telephone Number)

December 31, 2024

(Calendar Year Ended)

SEC FORM 17-A REPORT

Form Type

(Amendment Designation (if applicable))

DECEMBER 31, 2024

Period Ended Date

LISTED

(Secondary License Type and File Number)

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

**ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND
SECTION 177 OF THE REVISED CORPORATION CODE OF THE PHILIPPINES**

- For the fiscal year ended : **December 31, 2024**
- Commission Identification No. : **AS096-005555**
- BIR Tax Identification No. : **000-188-209-000**
- Exact name of issuer as specified in its charter : **Philippine National Bank**
- Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
- Industry Classification Code : (SEC Use Only)
- Address of principal office : **PNB Financial Center, Pres. Diosdado P. Macapagal Blvd. Pasay City, 1300**
- Issuer's telephone number, including area code : **(632) 8891-60-40 up to 70 / (632) 8526-3131 to 70**
- Former name, former address, and former fiscal year, if changed since last report : **N/A**
- Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding (Unpaid Subscription)</u>
Common Shares	1,525,764,850	None

- Are any or all of these securities listed on a Stock Exchange:

Yes [☒] No [☐]

Stock Exchange : **Philippine Stock Exchange**
Class of Securities : **Common Shares**

- Indicate by check mark whether the registrant:

- a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a) – 1 thereunder, and Sections 25 and 177 of the Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

Yes [☒] No [☐]

- b) has been subject to such filing requirements for the past ninety (90) days.

Yes [☒] No [☐]

- 13. Aggregate market value of the voting stock held by non-affiliates: P42,263,686,345*

*1,525,764,850 common shares @ P27.70 trading price of PNB shares as of December 31, 2024

SEC FORM 17-A ANNUAL REPORT

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

A. Business Development

The Philippine National Bank (PNB or the “Bank”), the country’s first universal bank, is one of the largest local private commercial banks in terms of assets, loans and receivables, capital and deposits. As of December 31, 2024, the Bank has a distribution network of 631 domestic branches and offices and 1,715 automated teller machines (ATMs) and cash accepting modules (CAMs) in the Philippines. In addition, it has the widest international footprint among Philippine banks spanning Asia, Europe, the Middle East and North America with its overseas branches, representative offices, remittance centers and subsidiaries.

In July 2016, PNB celebrated its Centennial Year with the theme, “A Century of Excellence”, signifying a meaningful milestone for an institution that has served generations of Filipinos here and abroad. For over 100 years, PNB stands proud as an institution of stability and security for many Filipinos. With its century of banking history and experience, PNB is poised to move forward to becoming a more dynamic, innovative and service-focused bank, providing service excellence to Filipinos all over the world.

The Bank was established as a government-owned banking institution on July 22, 1916. As an instrument of economic development, the Bank led the industry through the years with its agricultural modernization program and trade finance support for the country’s agricultural exports, pioneering efforts in the Overseas Filipino Workers’ (OFW) remittance business, as well as the introduction of many innovations such as “Bank-on-Wheels”, computerized banking, ATM banking, mobile money changing, domestic traveler’s checks, and electronic filing and payment system for large taxpayers. PNB has the widest overseas office network and one of the largest domestic branch networks among local banks.

On February 9, 2013, the Bank concluded its merger with Allied Banking Corporation (ABC) as approved and confirmed by the Board of Directors (BOD) of PNB and ABC on January 22 and January 23, 2013, respectively. The respective shareholders of PNB and ABC, representing at least two-thirds of the outstanding capital stock of both banks, approved the terms of the Plan of Merger of the two banks on March 6, 2012.

In April 2018, PNB successfully issued in Singapore and Hong Kong its 5-year Fixed Rate Senior Notes worth US\$300 million out of its US\$1 billion Medium Term Note (MTN) Program. This marked the first time that PNB tapped the international bond market for medium term dollar funding. Orders for the offering reached approximately US\$1.2 billion at its peak, equivalent to 4x oversubscription. The high demand for the initial issue underscored the international investors’ strong confidence in PNB. In May 2019, the PNB Board of Directors approved the increase in the amount of the Bank’s MTN Program to US\$2 billion. The following month, PNB issued US\$750 million in 5.25-year Fixed Rate Senior Notes priced at 99.47% and carried a yield of 3.39% and a coupon of 3.28%. The transaction was oversubscribed with an order book of over US\$3.25 billion. The proceeds of the Notes were used to support PNB’s loan expansion as the Bank took advantage of the country’s sustained economic growth. In October 2024, PNB also successfully tapped into the international market with a US\$300 million 5-year Sustainability Bond offering under its US\$2 billion MTN program. Moody’s assigned an investment grade rating of Baa3 to the bonds, which was priced at T+102 basis points with a fixed coupon rate of 4.85%. There was a strong demand for the bond offering as the final order book was more than 3.6x oversubscribed, reaching US\$1 billion from global investors. The issuance is the only Philippine sustainability bond included in the MSCI Green Bond Index.

In July 2019, the Bank issued and listed 276,625,172 common shares priced at P43.38 per share from its stock rights offering. The net proceeds from the offering amounted to P11.7 billion. Proceeds from the offering were utilized to enhance PNB's presence in emerging growth areas.

PNB fully integrated its wholly owned thrift bank subsidiary, PNB Savings Bank (PNBSB), into the Bank through acquisition of its assets and assumption of its liabilities in exchange for cash on March 1, 2020. Consequently, the 68 PNBSB branches were converted into PNB branches and the systems integration was completed on June 7, 2020. With the integration, PNB was able to deliver a more efficient banking experience and serve a wider customer base, while PNBSB customers were granted access to PNB's diverse portfolio of financial solutions. The consumer lending business, previously operated through PNBSB, also benefited from PNB's ability to efficiently raise low-cost funds. Since the purpose of PNBSB changed from banking to that of a holding company, PNBSB was renamed as Allied Integrated Holdings Inc. (AIHI) after the SEC approved the amendments to its Articles of Incorporation and By-Laws on February 23, 2021. The SEC also approved the termination of AIHI's corporate life effective December 31, 2022, and the company is now proceeding towards liquidation.

On November 9, 2020, the BOD and Stockholders of PNB Holdings Corporation (PHC) approved the sale of PHC's equity investment in PNB General Insurers Co., Inc. (PNB Gen) to PNB or any suitable 3rd party buyer. Likewise, the Board of Directors of PNB approved the sale of all its shares in PNB Gen to Alliedbankers Insurance Corporation (ABIC) on December 11, 2020. Consequently, on December 29, 2020, a Share Purchase Agreement was entered into by PNB and PHC, collectively as "Sellers", and ABIC as "Buyer" for the sale of 100% PNB Gen shares. PNB received from ABIC on January 21 and March 19, 2021 the first two tranches representing 10% and 45%, respectively, of the selling price for the sale of PNB's shares in PNB Gen. On March 31, 2021, ABIC paid 80% of the last tranche of the selling price. On April 30, 2021, PNB received from ABIC the remaining 20% of the last tranche of the selling price for the sale of PNB's shares in PNB Gen marking the Bank's exit from the nonlife insurance space.

In 2021, the Bank had undertaken a series of transactions to monetize its low-earning assets. On January 13, 2021, the SEC approved the increase in the authorized capital stock of PHC from P500.0 million to P50.5 billion. On the same date, PNB proceeded with the subscription of an additional 466,770,000 PHC shares in exchange for certain real estate properties with fair values of P46.7 billion. The Bank's BOD approved on April 23, 2021 the property dividend declaration of up to 239,353,710 common shares of PHC with a par value of P100.00 per share, to all stockholders of record as of May 18, 2021. On December 24, 2021, the Securities and Exchange Commission (SEC) approved the Bank's property dividend declaration.

On March 26, 2021, the Bank's BOD approved and confirmed the infusion of additional capital of up to P245.0 million to Allianz-PNB Life Insurance, Inc., an affiliate, subject to regulatory and other necessary approvals.

PNB continued to introduce new products for its customers to address their ever-evolving needs. In September 2021, PNB launched two new global feeder funds, namely: the PNB World Perspectives Equity Feeder Fund and the PNB US Equity Sustainability Leaders Feeder Fund. These feeder funds allow Filipino investors to invest in US and other globally traded shares of stocks to further diversify their investments. Likewise, in support of the government's Personal Equity Retirement Account (PERA) program, PNB, as a product provider, launched its first digital PERA fund, the PNB PERA Bond Fund. In October 2021, the PNB Singapore Mobile App was launched to make remittance easier and more convenient for Filipinos in Singapore. The app enables a fully automated remittance process for all registered clients and potential clients (subject to one-time onsite Know-Your-Customer) based in Singapore. In March 2022, PNB and CIS Bayad Center, Inc., or Bayad, the country's biggest and widest multi-channel payment platform, have partnered to make it easier for Filipinos to settle payments electronically. This strategic partnership offers a one-stop-shop solution for the best customer experience. PNB also introduced the PNB CashNet Plus mobile app for corporate clients in

April 2022. Clients have the option to log in via biometrics for added security and convenience in accessing their company accounts.

In September 2023, PNB introduced the PNB World Elite Mastercard (WEM) to its high net-worth customers. The PNB WEM, dubbed as the Bank's most premium card, is a by-invitation only credit card in partnership with Mastercard and PAL. It is designed to appeal to a segment of high net-worth customers and geared to connect with PNB's high-end and affluent cardholders. The product offers exclusive and top-tier benefits and services suitable to its target market's status.

To provide convenient financial services to Overseas Filipino Workers (OFWs), PNB opened a branch at the Department of Migrant Workers (DMW) Building in November 2023. The establishment of this Branch reflects the Bank's commitment to serve OFWs seeking reliable banking solutions as PNB offers a range of services tailored to their requirements. OFWs transacting in this branch are assured to receive personalized assistance and guidance in navigating their financial matters. This customer-centric approach is consistent with the Bank's strategy of being a supportive financial partner for the OFWs.

In May and August 2024, PNB participated in the Paleng-QR Ph Plus spearheaded by BSP in partnership with the local government units of San Fernando City, Pampanga and Carbon Market Cebu, respectively. The events promoted cashless payments through QR code acceptance (QR Ph), raised awareness about cashless payments and enabled participants to understand the benefits of using QR codes for easy and seamless transactions.

The Bank's Consumer Finance Sector, in collaboration with Philippine Airlines (PAL) and Mastercard, held an exclusive media launch in September 2024, unveiling the PNB-PAL Mabuhay Miles World Elite Mastercard, the first full metal contactless card in the Philippines co-branded with an airline. This breakthrough allows PNB to redefine luxury by offering bespoke services, exceptional benefits, and global privileges that provide seamless convenience and exclusive perks, ensuring cardholders experience the finest the world has to offer.

In November 2024, the Bank launched the PNB Private Wealth Portal, a powerful tool for clients of Wealth Management Group (WMG) to confidently manage their wealth. Through the portal, clients can view all their current investment holdings, download their Statement of Accounts (SOA) as well as easily connect with their Wealth Relationship Managers for queries, requests for product presentations and for their investment orders/reservations.

In December 2024, the Philippine Army Finance Center Producers Integrated Cooperative (PAFCPIC) marked a significant milestone with the signing of a Memorandum of Agreement (MOA) with both the Retail Banking Sector and Trust Banking Group of PNB. The partnership gives PAFCPIC employees and members access to PNB's comprehensive suite of financial services and structured retirement program.

In affirmation of its well-managed operations, PNB also received awards from various organizations and other international award-giving bodies. For instance, PNB was a recipient of two awards from the Philippine Dealing System Holdings Corp (PDS Group) during the 17th PDS Annual Awards held last March 2022, viz: (1) the Top Fixed-Income Brokering Participant and (2) one of the Top Five Fixed-Income Cash Settlement Banks. In addition, in September 2022, PNB was awarded by the Social Security System (SSS) as "Best Disbursement Partner" in the Commercial Bank category in its "2022 Balikat ng Bayan Awards" during its 65th founding anniversary celebration. The SSS Balikat ng Bayan Awards acknowledge the valuable contributions of individuals and organizations in helping SSS deliver quality service and programs to its members. In November 2022, PNB was awarded for the second year in a row by a joint program of the European Union and the UN Women as Runner Up for Transparency and Reporting during the UN Women 2022 Philippines Women's Empowerment Principles (WEPs) event. PNB was also cited for its commitment to transparency and reporting pertaining to gender data and indicators as well as report on performance and impact of

gender on its adaptive policies and programs, tracking performance in progress towards gender equality, and women's economic empowerment. In December 2022, PNB was awarded by Asia Corporate Excellence and Sustainability Awards (ACES) as one of Asia's Most Influential Companies during the recent ACES Awards 2022 Ceremony and Gala Dinner held in Kuala Lumpur, Malaysia. The award is given to companies that show genuine interest in the well-being of its stakeholders through corporate social responsibility initiatives that are integrated into policies and operations, with a high level of employee and top management involvement on community engagement, environment, and social empowerment programs.

In March 2023, PNB received recognition again during the 18th Philippine Dealing System (PDS) Annual Awards Night held in Makati for its strong contribution to the growth and stability of local financial markets. The Bank was cited as: a) the Top 2 Fixed-Income Brokering Participant that garnered the highest total volume turnover of securities transacted by face amount; and b) the Top 5 Fixed-Income Cash Settlement Bank for generating the highest volume for the year as measured by the total number of fixed-income transactions settled for PDEX Trading Participants who are non-demand deposit account holders at the BSP.

Forbes media ranked PNB as 2nd Best Bank in the Philippines in its list of 2023 World's Best Banks in April 2023. Furthermore, in April 2024, PNB was ranked first in the Philippines in Forbes' list of World's Best Banks for 2024. The ranking was based on a worldwide survey of more than 49,000 banking customers in 33 countries. PNB was among the 403 leading and best banks to be included in the global magazine giant's ranking. The banks were rated in five key areas – trustworthiness, terms and conditions (such as fees and rates), customer service (wait times and helpfulness of employees), digital services (ease of using the website and app), and quality of financial advice.

In June 2023, PNB was recognized twice in the Asia Responsible Enterprise Awards (AREA) 2023 for the following categories: Corporate Governance category as PNB adheres and maintains the quality and completeness of disclosure and reporting of governance practices in annual reports of business entities in the public and private sectors; and Corporate Sustainability Reporting category for the Bank's comprehensive sustainable reporting in disclosure, transparency, and credibility while bridging the social, environmental, and economic issues affiliated to the business.

PNB's High Dividend Fund was recognized in August 2023 as one of the Best Managed Funds for 2023 under the Peso Equity Fund category by the Chartered Financial Analyst (CFA) Society of the Philippines, an association of local investment professionals that annually gives recognition to funds that stand out among peers. The PNB High Dividend Fund was among the seven funds that delivered the highest risk-adjusted returns to investors. Launched in June 2012, the PNB High Dividend Fund is a domestic equity fund in the Philippines that seeks dividend income and capital appreciation by investing in listed companies with high dividend yields and established history of paying dividends.

In September 2023, the SSS gave PNB two awards as Best Collection Partner for the Overseas Bank category and Best Disbursement Partner for the Universal Bank category during the Balik ng Bayan Awards 2023. The 'Best Collection Partner' distinction is given to financial institutions that are consistently among the top with the highest collections, biggest volume of transactions, and widest coverage. The 'Best Disbursement Partner' award is given to PESONet-member financial institutions that have the highest number of transactions and highest amount of disbursements to pensioners, employers, and individual accounts.

In September 2023, PNB received the prestigious Gawad Maestro Learning and Development Organization of the Year Award for the Private Sector category from the Philippine Society for Talent Development (PSTD) during the 6th Gawad Maestro Awards 2023. PNB was recognized for fostering a strong learning culture in the workplace and continuously implementing learning and development programs that help employees cope with the changing times and ways of working. PSTD likewise noted that the Bank has demonstrated outstanding leadership and creativity in improving organizational performance through learning and development.

PNB won the Philippines Digital Experience of the Year - Banking accolade at the Asian Experience Awards 2023 held in October 2023. The PNB Digital App was cited for offering clients a superior banking experience with its fresh look, intuitive design, and quick access to frequent banking transactions via a customizable dashboard. The PNB Digital App was designed to meet the growing demand for reliable and secure online banking solutions and offers an array of features tailored to enhance the banking experience for PNB customers.

In December 2023, PNB was declared as the Best Bank for Corporate Social Responsibility in the Philippines by the International Business Magazine Awards 2023. The award manifests PNB's sincerity and commitment to implement a culture of creating a meaningful impact by respecting and supporting communities and the environment.

In March 2024, PNB has been awarded by Euromoney as the Best Bank for Investment Research in the Philippines during its Private Banking Awards. This is PNB's fourth consecutive win since 2021. According to Euromoney, PNB won the award "in recognition of the breadth, depth and quality of its investment research, which helps clients navigate economic and financial market turbulence." Continuing its excellence, PNB once again received the Best Bank for Investment Research award from Euromoney in March 2025, marking its fifth consecutive win. The recognition highlights PNB's dedication to providing comprehensive investment research and economic insights, empowering clients to make well-informed financial decisions amid an evolving market landscape. The Euromoney Private Banking Awards is a prestigious worldwide annual awards program, recognizing the private banks of distinction across key categories.

PNB was named as the Most Admired Financial Services Provider in the Philippines in August 2024 by the International Business Magazine Awards (IBMA). The IBMA gives the most coveted awards to the most outstanding nominations across various industries with a pool of subject matter experts and strong research analyst wing who carefully inspect, verify, and scrutinize all nominations. This is the second time the IBMA has recognized PNB since the Bank was declared by IBMA as Best Bank for Corporate Social Responsibility in 2023.

In August 2024, PNB's mobile banking app, PNB Digital, was awarded the highly acclaimed Excellence in Customer Service Innovation Award during The Digital Banker's Digital CX Awards 2024 in Singapore. The Digital Banker's Digital CX Awards is an awards program that recognizes pioneering innovation in digital customer experience across the financial services ecosystem. The program assesses the ever-changing needs of customers in the digital economy.

PNB was hailed as Learning Champion for 2024 during the LinkedIn Talent Awards in August 2024. PNB was recognized in the Learning Champion category for companies with 5,000 to 10,000 employees, highlighting the Bank's commitment to employee learning and development. The LinkedIn Talent Awards celebrate companies that excel in talent engagement, adaptability, and innovation with the use of LinkedIn Talent Solutions, connecting them to programs that let them develop relevant and applicable skills.

In September 2024, PNB was awarded for the third straight year with the prestigious Four Golden Arrows by the Institute of Corporate Directors (ICD) at the 2024 ASEAN Corporate Governance Scorecard Golden Arrow Awards Night. The award recognized the Bank's consistency and commitment to uphold good corporate governance in its business practices. The award also affirmed that the Bank is on the right path in living its corporate values of trust and integrity while sustaining profitability and delivering service excellence. The Golden Arrow Recognition, given by the Institute of Corporate Directors is the highest corporate governance award given to the country's top publicly listed companies based on the ASEAN Corporate Governance Scorecard assessment results.

In December 2024, PNBs “Every Step Together” advertising campaign was the winner of “Best Branded Digital Ad” at the 46th Catholic Mass Media Awards (CMMMA). The digital ad launched in 2023 was intended to create an emotional bond between the Bank and its customers by communicating the Bank's mission of paving the way to financial prosperity for Filipinos.

The following presents the Bank’s significant subsidiaries:

Domestic Subsidiaries:

Allied Integrated Holdings, Inc. (AIHI)
(formerly PNB Savings Bank)

Allied Integrated Holdings Inc. (AIHI) is a wholly-owned subsidiary of PNB. It was formerly PNB Savings Bank, which had been converted into a holding company on October 28, 2020, after PNB substantially acquired its assets and assumed its liabilities on March 1, 2020 and following the surrender of its thrift bank license to BSP on March 5, 2020. The Securities and Exchange Commission subsequently approved on February 23, 2021, its conversion from a savings bank to a holding company, the change in its corporate name, and the shortening of the company’s corporate life up to December 31, 2022.

As a holding company, AIHI had been mainly tasked to manage the remaining real estate assets acquired by the former PNB Savings Bank. AIHI is now in the process of winding down its operations following the end of its corporate life in 2022.

PNB Capital and Investment Corporation (PNB Capital)

PNB Capital and Investment Corporation (PNB Capital) is the wholly-owned investment banking arm of PNB. PNB Capital provides a full range of investment banking services to its clients including loan syndications, retail bond offerings, private placement of debt and equity, public offering of shares, securitization, and financial advisory such as liability management, corporate restructuring, pre-IPO preparation, and mergers and acquisitions.

PNB Capital has arranged some of the largest loan syndications and award-winning deals in the Philippines. Likewise, it is very active in the capital market transactions in the country. PNB Capital has been recognized multiple times by local and foreign award giving bodies for the successful execution of landmark transactions, reaffirming its commitment to excellence in financial intermediation. Some of the prestigious accolades include: Syndicated Loan of the Year for Linseed Field Corporation by Asian Banking & Finance Corporate & Investment Banking Awards 2023; Green Project of the Year for Arthaland Corporation by The Asset Triple A Awards; Best Initial Public Offering for Citicore Energy REIT Corp. by The Asset Triple A Awards; Best New Bond for Cebu Landmasters Inc by The Asset Triple A Awards; and Best Transition Bond for SMC Global Power Holdings Corp. by The Asset Triple A Awards.

PNB Securities, Inc. (PNB SI)

PNB Securities, Inc. (PNB SI) is a wholly-owned subsidiary engaged in the brokerage and dealership of various common and preferred equities, REITs, ETFs and other equity-related securities listed in the Philippine Stock Exchange.

PNB SI performs other equity related services including but not limited to the distribution of Initial Public Offerings in collaboration with PNB Capital, PNB branches, and Parent Bank's Trust Banking Group and Wealth Management Group, block sales, private placements, tender offer agency as well as processing of dividend and pre-emptive rights entitlements in behalf of its clients. The Company also collaborates with PNB Research in arranging corporate access for PNB SI's foreign institutional clients.

PNB SI also offers technical research studies as well as distributes PNB Research studies to inform and guide clients in making decisions with regards to their investments in the equities market.

PNB-Mizuho Leasing and Finance Corporation (PMLFC)
(formerly PNB-IBJL Leasing and Finance Corporation)

PMLFC, a joint venture between the Bank (75%) and Mizuho Leasing Company (25%), was incorporated on April 24, 1996 as a financing company under Republic Act No. 8556 (the amended Finance Company Act). Its major activities are financial lease (direct lease, sale-leaseback, lease-sublease and foreign currency leasing), operating lease (through wholly-owned subsidiary, PNB-Mizuho Equipment Rentals Corporation), term loans (for productive capital expenditures secured by chattel mortgage), receivable discounting (purchase of short-term trade receivables and installment papers) and floor stock financing (short-term loan against assignment of inventories, e.g., motor vehicles).

On March 3, 2020, the SEC approved the change of its corporate name.

On June 24, 2022, the Board of Directors (BOD) of the Bank approved the proposal to amend the Articles of Incorporation of PMLFC, shortening its corporate term to March 31, 2024, subject to necessary approvals. This amendment was subsequently approved by the SEC on December 23, 2022. The Bank and its joint venture partner, Mizuho Leasing Co. Ltd., mutually agreed to wind down operations of PMLFC due to the impact of the COVID-19 pandemic to the operations of the joint venture company and the domestic leasing industry.

PNB-Mizuho Equipment Rentals Corporation (PMERC)
(formerly PNB-IBJL Equipment Rentals Corporation)

PMERC, a wholly-owned subsidiary of PMLFC, was incorporated on July 3, 2008 as a rental company and started commercial operations on the same date. It is engaged in the business of renting all kinds of real and personal properties. On November 22, 2023, the SEC approved the amendment to the Articles of Incorporation of PMERC, shortening its corporate term to December 31, 2024.

Foreign Subsidiaries:

Allied Commercial Bank (ACB)

Allied Commercial Bank (ACB) is a majority-owned (99.04%) subsidiary of PNB. Originally established in 1993 as Xiamen Commercial Bank, ACB maintains its head office in Xiamen, Fujian, China and has a branch in Chongqing which was established in 2003.

ACB was previously allowed to deal only in foreign currency-denominated products and services, until 2017, when local currency or CNY denominated products and services were allowed except for local residents. In 2020, ACB finally obtained a banking license that allows offering services to all market segments with all traditional banking products, denominated in local or foreign currencies.

ACB is a full-service commercial bank specializing in international trade finance and loans to micro, small and medium-sized industries/enterprises. Its deposit products are also varied and competitive. Last 2020, the Bank launched its enterprise internet banking system which adds much sought-after convenience to its corporate depositors. In 2022, the Bank enhanced its system to automate its credit management. It continues to innovate to deliver financial products and services to cater to the evolving needs of the banking public.

Allied Banking Corporation (Hong Kong) Limited (ABCHKL)

Incorporated in 1978, Allied Banking Corporation (Hong Kong) Limited (ABCHKL) is a private limited company and restricted-licensed bank under the Hong Kong Banking Ordinance. ABCHKL became a majority-owned (51%) subsidiary of the Philippine National Bank (PNB) as a result of the merger of PNB and Allied Banking Corporation (ABC) in 2013. ABCHKL provides a full range of commercial banking services such as deposit taking, lending and trade financing, documentary credits, participation in loan syndications and other risks, money market and foreign exchange operations. ABCHKL has a wholly-owned subsidiary, ACR Nominees Limited, which is a private limited company incorporated in Hong Kong that provides non-banking general services to its customers. It is a Trust or Company Service Provider licensee in Hong Kong.

Philippine National Bank (Europe) Plc (PNB Europe)

Philippine National Bank (Europe) PLC, ("PNBE") is a wholly-owned subsidiary of PNB. It started in 1976 as PNB London Branch and was incorporated in June 1994. It was granted a deposit taking license by the Bank of England in July 1997.

Following the merger of PNB and ABC in 2013, PNBE merged with Allied Bank Philippines (UK) Plc in 2014, with the former as the surviving entity. PNBE is an authorized institution under the Financial Services Act 2012 and is regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

Following the conclusion of the Brexit transition period in 2020, PNBE continues to provide services to Filipinos in the region through its UK office as well as its web and phone remittance platforms.

PNB Global Remittance & Financial Company (HK) Limited (PNB Global)

PNB Global Remittance and Financial Company (HK) Limited (PNB Global HK), a wholly-owned subsidiary of PNB, was established in Hong Kong on July 20, 1976. The Company is engaged in providing remittance services bound to the Philippines. It also grants consumer loans to Filipinos and foreign nationals working in Hong Kong who are interested to purchase real estate properties in the Philippines.

PNB Global HK's Main Office is in Wanchai District while its six branches are strategically situated in Shatin, Yuen Long, Tsuen Wan, North Point, and two in Worldwide House in the Central District of Hong Kong.

**PNB International
Investment
Corporation (PNB IIC)**

PNB International Investments Corporation (PNB IIC) is a non-bank holding company and the parent company of PNB Remittance Centers, Incorporated (PNB RCI). PNB RCI has a network of 18 branches engaging in money transmission in six states of the United States of America.

PNB RCI owns PNB RCI Holding Company, Ltd., the parent company of PNB Remittance Company Canada (PNB RCC). PNB RCC has five branches and one sub-branch servicing the remittance requirements of Filipinos in Canada.

B. Business Description

1. Products and Services

PNB, through its Head Office and 631 domestic branches/offices, 1,715 ATMs and CAMs nationwide and 71 overseas branches, representative offices, remittance centers and subsidiaries, provides a full range of banking and financial services to corporations, small and medium markets, retail customers and various government units and their agencies. PNB's principal commercial banking activities include deposit-taking, lending, trade financing, foreign exchange dealings, bills discounting, fund transfers/remittance servicing, asset management, treasury operations, comprehensive trust services, retail banking, digital banking and other related financial services.

Its banking activities are undertaken through the following groups within the Bank, namely:

Retail Banking Sector

The core business of the Retail Banking Sector (RBS) focuses primarily on the Bank's deposit-taking activities by offering a wide range of deposit products and services such as peso accounts and its variants like interest-bearing savings and time deposit, current accounts, and US dollar and other third currency accounts. The Sector also provides its broad customer base with other retail products such as credit cards, consumer loans, remittance services, and other banking services. While the primary objective is to generate lower cost funding for the Bank's operations, RBS as a sales-focused sector also cross-sells trust, treasury and bancassurance products (life and non-life) to existing as well as referred customers.

International Banking and Remittance Group

PNB has the widest global network among Philippine-based banks, giving Filipinos access to overseas branches, representative offices, remittance centers, and subsidiaries across the United States, Canada, Europe, Middle East, and Asia. Through its International Banking and Remittance Group (IBRG), PNB builds and sustains strategic partnerships with key OFW-related organizations, remittance tie-ups, and pay-out partners. These collaborations further extend the Bank's market reach beyond its physical branches worldwide.

IBRG facilitates cross-selling opportunities to efficiently serve the diverse needs of overseas Filipinos. For select jurisdictions, the Group offers reliable remittance services as well as full banking solutions such as bills payment, deposit account opening, OFW payroll processing, corporate credit and trade, and consumer financing.

Consumer Finance Sector

The Consumer Finance Sector (CFS) provides a comprehensive suite of credit solutions that cater to both retail and corporate clients. The Sector leverages innovation, data-driven insights, and strategic partnerships to deliver seamless and customer-centric financial services.

The Sector's tailored products include Credit, Debit, and Prepaid Cards under major card networks Mastercard, Visa, and UnionPay. Moreover, the Sector also offers loan products such as Auto Loan, Real Estate Loan, Contract-to-Sell Facility, and Personal Loan.

CFS' operates as a robust team that covers key functions such as sales, business development, finance and accounting, business intelligence, operations, and collections. Its integrated structure enables the team to deliver an optimal, end-to-end customer journey – ensuring efficiency, accessibility, and financial empowerment.

Institutional Banking Sector

The Institutional Banking Sector (IBS) is the primary lending arm responsible for the establishment, expansion and overall management of the Bank's relationships with corporate and commercial clients. The Corporate Banking Group (CBG) supports the Sector's large corporate and conglomerate clients, while the Commercial Banking Group oversees relationships with middle market and SME customers located in Metro Manila and provincial areas.

Commercial Banking Group (COMMBG) is geographically segmented into Metro Manila COMMBG, Luzon COMMBG, and VisMin COMMBG to deepen relationships with commercial clients and capitalize on growth opportunities in priority industries.

IBS offers a comprehensive suite of well-crafted products and services designed to meet various requirements of its clients, ranging from short-term loans, long-term loans, project finance and trade facilities, among others.

Global Banking and Markets Sector

The Global Banking and Markets Sector (GBMS) is primarily tasked with the management of the Bank's liquidity and funding needs, as well as the execution of financial market transactions involving investments, trading of fixed income securities, foreign exchange, derivatives, and providing hedging solutions for clients. GBMS strategically deploys its excess funds in longer-dated high-quality outlets thereby increasing portfolio duration in line with expectation that terminal rate had been reached and rate easing cycle has begun. The Sector provides a wide range of banking products and services to corporates, governments, financial institutions, and individuals. Its functions include developing the Bank's wealth management proposition by providing corporate and individuals (retail and high-net-worth) access to the financial markets.

Trust Banking Group

The PNB Trust Banking Group (TBG) offers a broad selection of investment funds including money market, fixed income, multi-asset, local equity, and global feeder funds. These funds are tailored to meet every customer's financial standing, investment goal, risk appetite, and investment horizon. These are managed by a team of fund managers who have a wealth of training and experience. Clients may conveniently invest in any of these funds through the UITF Online facility via PNB Digital.

In addition to investment funds, TBG also provides a wide range of products and services for retail and corporate clients. Its personal trust products and services include Personal Management Trust and Investment Management Account. Corporate trust products and services include Corporate Fund Management and Employee Benefit Trust. PNB's TBG is regarded as one of the strongest trust entities in the industry for fiduciary services, offering products such as Escrow, Facility Agency, Trust Under Indenture, and Transfer Agency.

Digital Channel Management and Innovation Group

The Digital Channel Management and Innovation Group (DCMIG) is responsible for driving PNB's consumer digital strategy, ensuring that the Bank's digital services are efficient, customer-centric, and aligned with the Bank's mission and vision. Committed to innovation and continuous improvement, the Group constantly explores and implements solutions to enhance the customer experience and drive business growth.

DCMIG oversees the end-to-end development of digital channels, including market scoping and assessment to identify opportunities; business model ideation to ensure viability; and customer experience design for seamless interactions.

DCMIG, in collaboration with stakeholders and technology partners, is also responsible for the execution, delivery, implementation, and post-launch support of digital channels and services for the domestic and overseas market. The Group also collaborates with marketing and business teams to drive digital adoption and engagement.

By fostering innovative and user-friendly digital experiences, DCMIG supports PNB's vision of delighting customers, increasing revenue, and optimizing operational efficiency to better serve the bank's retail business.

2. Competition

In the Philippines, the Bank faces competition in all its principal areas of business, from both Philippine (private and government-owned) and foreign banks, as well as finance companies, mutual funds and investment banks. The competition that the Bank faces from both domestic and foreign banks was in part a result of the liberalization of the banking industry with the entry of foreign banks under Republic Act (R.A.) 7721 in 1994 and R.A. 10641 in 2014, as well as the mergers and consolidations in the banking industry. As of 31 December 2024, based on data from the BSP, there were 44 universal and commercial banks, of which 15 are private domestic banks, 3 are government banks and 26 are branches or subsidiaries of foreign banks. Some competitor banks have greater financial resources, wider networks and greater market share than PNB. Said banks also offer a wider range of commercial banking services and products; have larger lending limits; and stronger balance sheets than PNB. To maintain its market position in the industry, the Bank offers diverse products and services, invests in technology, leverages on the synergies within the Lucio Tan Group of Companies and builds on relationships with the Bank's other key customers.

The Bank also faces competition in its operations overseas. In particular, the Bank's stronghold in the remittance business in 17 countries in North America, Europe, the Middle East and Asia is being challenged by competitor banks and non-banks. As of December 31, 2024, the Bank has a distribution network of 631 domestic branches and offices and 1,715 ATMs and CAMs nationwide. The Bank is one of the largest local private commercial banks in the Philippines in terms of consolidated total assets, loans and receivables, capital and deposits as well as in terms of branch network. In addition, it has the widest international footprint among Philippine banks spanning Asia, Europe, the Middle East and North America with its overseas branches, representative offices, remittance centers and subsidiaries.

3. Revenue Derived from Foreign Operations

The percentage contributions of the Group's offices in Asia, Canada and USA, and United Kingdom to the Group's revenue, for the years 2024, 2023, 2022 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Asia (excluding the Philippines)	3.7%	3.6%	2.0%
Canada and USA	1.2%	1.4%	1.4%
United Kingdom	0.2%	0.2%	0.2%

4. New Products and Services

In 2024 and 2023, PNB introduced the following new products, among others, for its customers:

- a. **InstaPay Bills Pay PH** - an interoperable bills payment facility that enables billers to collect and consolidate subscriber payments made through various participating mobile banking/e-wallet applications.
- b. **InstaPay QRPh** - through its partnership with GHL Systems, Inc., the Bank was able to deploy payment acceptance via digital QR codes programmed into GHL point-of-sale terminals.
- c. **PNB Private Wealth Portal** – accessible via the PNB Digital mobile banking app, this channel provides clients the tools and insights to manage their wealth better.
- d. **PNB Mabuhay Miles World Elite Mastercard** – a by-invitation only credit card from PNB in partnership with Philippine Airlines (PAL) and Mastercard. This card unlocks global privileges and elite experiences. From earning exclusive travel rewards to accessing bespoke lifestyle services, this first full metal contactless card in the Philippines - co-branded with an airline - embodies the pinnacle of luxury and sophistication.
- e. **Debit Account Lite (PC-417)** - designed to address BSP's requirement for a basic deposit account that promotes financial inclusion, this account will enable Filipinos, especially the unserved and underserved, to receive and make payments, as well as have a facility for store of value. This account follows a simplified Know – Your – Customer (KYC) process for low-risk clients. It has basic functionalities that enable ease, accessibility, convenience, and reasonable cost for both banks and customers.
- f. **Digital Savings Account (PC-419)** - designed to address the Bank's directive to offer an end-to-end account via the PNB Digital platform with minimal to no physical touch points. This also drives greater efficiency in the delivery of financial products and services as the Bank expands reach into the digital market segments.
- g. **Save and Soar Promo** - Eligible accountholders enrolled in the promo shall receive Mabuhay Miles points that can be converted into PAL Mabuhay Miles, free one year ATMSafe Plus Insurance coverage for one nominated PNB peso checking or savings account or one electronic raffle entry for a chance to win two round trip business class flights to New York, USA, which shall be awarded in the form of peso equivalent PAL electronic gift card.

5. Related Party Transactions

Information related to transactions with related parties and with certain Directors, Officers, Stockholders and Related Interests (DOSRI) is shown under Note 33 of the Audited Consolidated Financial Statements of the Group and Exhibit IV of the Supplementary Schedules Required by SRC Rule 68 Annex J.

6. Patents, Trademarks, Licenses, Franchises, Concessions and Royalty Agreements

The Bank's operations are not dependent on any patents, trademarks, copyrights, franchises, concessions, and royalty agreements.

7. Government Approval of Principal Products or Services

Generally, e-banking products and services require BSP approval. New deposit products require notification to the BSP. The Bank has complied with the aforementioned BSP requirements.

8. Estimate of Amount Spent for Research and Development Activities

The Bank provides adequate budget for the development of new products and services which includes hardware and system development, continuous education and market research. Estimated amount spent for 2024, 2023 and 2022 totaled ₱683.4 million, ₱733.3 million and ₱707.6 million, respectively.

9. Number of Employees

The total employees of the Bank as of December 31, 2024 is 8,816, of which 4,797 are classified as Bank Officers and 4,019 as rank and file employees, broken down as follows:

As of December 31, 2024	Total
Officers:	
Vice President and up	169
Senior Assistant Vice President to Assistant Manager	4,628
Sub-total	4,797
Rank and File	4,019
Total	8,816

The Bank will continue to pursue selective and purposive hiring strictly based on business requirements. The Bank has embarked on a number of initiatives to improve operational efficiency.

The Bank's regular rank and file employees are represented by a Union. Total union membership is 2,917 out of 4,019 rank and file employees or 73% of the total rank and file population. The Bank has a Collective Bargaining Agreement which was renewed for a three-year period from July 1, 2022 to June 30, 2025.

The Management of the Bank considers its relations with its employees and the Union as harmonious and mutually beneficial. Industrial peace is continuously being enjoyed by both Management and the organized Union.

10. Risk Management

Major risks and Procedures Being Taken to Address the Risks

A clear understanding of risks surrounding the business activities is crucial for any organization to create sustainable stakeholder value in executing its strategies. It is therefore essential to reinforce the overall strategy of an organization with a prudent risk management framework. This ensures that the Bank's opportunities are optimized while minimizing the effects of downside risks.

PNB, as one of the leading financial institutions in the country with various allied undertakings and with an international footprint, performs a vital role of financial intermediation in the economy and in each of the communities it serves. With evolving global best practices and standards towards continuing financial stability and resilience, it remains committed to comply with the regulatory guidelines and legislative framework in each of the jurisdictions it operates in.

The nature and the impact of future changes in laws and regulations are not always predictable. These changes have implications in the way business is conducted and with corresponding potential impact to capital and liquidity.

A disciplined risk management culture and framework facilitates oversight of and accountability for risk at all levels of the organization and across all risk types. The Board of Directors, through the Risk Oversight Committee (ROC), exercises oversight and provides guidance to experienced Senior Management Team who, through the Management Risk Committee (MRC), works closely with the business lines in managing risk.

The Board of Directors has delegated specific responsibilities to various Board Committees, which are integral to PNB's risk governance framework and allow executive management, through Management Committees, to evaluate the risks inherent in the business and to manage them effectively. On the other hand, executive officers are assigned to various Management Committees that provide the leadership and execution of the vision and policies approved by the Board of Directors. Business strategies are driven, for the most part, by the day-to-day directions decided by these Management Committees with approvals and notation by the various Board Committees.

There are nine (9) Board Committees, as follows:

1. Executive Committee (EXCOM)
2. Board Strategy & Policy Committee (BSPC)
3. Board Audit & Compliance Committee (BACC)
4. Board Oversight Related Party Transaction Committee (BORC)
5. Corporate Governance & Sustainability Committee (CorGov)
6. Board Information Technology Governance Committee (BITGC)
7. Risk Oversight Committee (ROC)
8. Board Overseas Offices Oversight Committee (BOOOC)
9. Trust Committee (TrustCom)

PNB's ROC is mandated to advise on the risk appetite; approve frameworks, policies, plans, programs, and processes for managing risk. The ROC advises on the overall current and future risk appetite and strategy and assists in overseeing the implementation of those strategies and business plans by senior management.

The risk management policy includes:

- a comprehensive risk management approach;
- a detailed structure of limits, guidelines, and other parameters used to govern risk-taking;
- a clear delineation of lines of responsibilities for managing risk;
- an adequate system for measuring risk;
- effective internal controls and a comprehensive monitoring and risk-reporting process; and
- adherence to standards and regulations.

ROC membership is composed of at least three (3) members of the Board of Directors, majority of whom are Independent Directors including the Chairperson. The Chairperson shall not be the Chairperson of the Board of Directors, or any other Board Committee.

The members shall possess a range of expertise as well as adequate knowledge of the Bank's risk exposures. They should also meet the requirements of the Securities and Exchange Commission (SEC), the BSP, and other applicable laws, rules, and regulations.

Approved by the Board of Directors in 2020, the Management Risk Committee (MRC) was created as a forum ensuring that the Bank's Enterprise Risk Management Framework (ERMF) is operationalized and that Senior Management has an enterprise-level view and awareness of all key risks that the Bank is facing

and must deal with. It will be a forum for dialogue amongst the businesses, operations and control functions with respect to risk issues that arise from the conduct of business, changes to laws and regulations, and the general business environment.

Mainly composed of the Bank's Sector and Group heads, the MRC is responsible for reviewing and monitoring enterprise level risks and assessing risk responses proposed or taken by the relevant risk owner, and for providing inputs to the ERMF process. The MRC shall periodically assess that the Bank's risk appetite statements are aligned with the business strategy and the overall objectives of the Bank.

The approach to managing risk is outlined in the Bank's ERMF which creates the context for setting policies, standards, and establishing the right practices. It defines the risk management processes and sets out the activities, tools, and organizational structure to ensure material risks are identified, measured, monitored and managed.

The risk management framework banks on a dynamic process that supports the development and implementation of the overall Bank strategy. The process revolves around methodically addressing risks associated with the business lines of PNB. The ERMF, with regular reviews and updates, has served well and has been resilient through economic cycles. The Bank has placed a strong reliance on this risk governance framework with the three lines model of The Institute of Internal Auditors (IIA).

The first line roles are the lines of business who are directly involved in managing risks. This entails the proactive self-identification of risks as well as the design and implementation of appropriate controls. Within the business lines, a culture of open communication is key to sustainable risk-return thinking. Discussions about new products, existing and new positions, and other issues must be broad and not just limited to meeting financial targets. Data and information availability are a must to ensure that front office and top management undertake relevant and timely decisions with respect to risk taking. Finally, limits and other basic controls must be respected. For example, limit setting and limit monitoring shall be done within prescribed policies and procedures; front-liners who manage clients and handle cash shall be subject to mandatory leaves; and segregation of duties should be clear and enforced.

The second line roles are the support units who provide expertise and insight to the first line in managing risks. For the Bank, second line roles include the Enterprise Risk Management Group (ERMG) and Global Compliance Group (GCG): ERMG implements the risk management framework and assists risk owners in reporting adequate risk-related information to the ROC. It manages the overall information security, cyber security and data privacy risks of the Bank in terms of confidentiality, integrity and availability of information of its customers as well as other stakeholders. It also manages risks to Information Technology and Project Management. GCG ensures that a strong compliance program is in place, effectively monitored, and aligned with the risks of the Bank's individual business processes. The second line roles may also recommend implementation of action plans, corrective actions or service recovery in managing the risk impact and prevent recurrence. ERMG reports to the ROC, while GCG reports to the BACC.

The third line role is the internal audit function which provides independent and objective assurance and advise on the adequacy and effectiveness of the Bank's control, governance and risk management processes. It reports its findings to Management and the BACC to promote and facilitate continuous improvement. Internal audit's independence from the responsibilities of management is critical to its objectivity, authority, and credibility. It is established through accountability to the governing body, unfettered access to people, resources and data needed to complete its work; and freedom from bias or interference in the planning and delivery of audit services.

All roles, when working together, collectively contribute to the creation and protection of value when they are aligned with each other and with the prioritized interests of the Bank and its stakeholders. Alignment of activities is achieved through communication, cooperation, and collaboration. This ensures the reliability, coherence, and transparency of information needed for risk-based decision making.

ERMG is independent from the business lines and monitors various risks across the parent bank and its subsidiaries, including but not limited to credit, market, operational, reputational and environmental and social risks.

Implementation of the processes and procedures that support the policies for risk management applicable to PNB is monitored. These policies clearly establish the types of risks to be managed, define the risk organizational structure, and provide appropriate training necessary to manage and control risks. The policies also provide for the validation, audits, and compliance testing to measure the effectiveness and suitability of the risk management structure-

ERMG performs as the Secretariat of the ROC which meets monthly to discuss the most recent risk profile of the Bank according to the material risks defined in the Bank's ICAAP document. Further, ERMG engages with all levels of the Bank's business and support groups, including domestic and overseas branches and offices, including subsidiaries. This ensures that risk management and monitoring are embedded at origination.

The risk management system and the directors' criteria for assessing its effectiveness are revisited on an annual basis and limit settings are discussed with the business units and presented to the ROC for endorsement for final BOD approval.

In line with the integration of the BSP required ICAAP and risk management processes, PNB currently monitors 11 Material Risks (3 for Pillar 1 and 8 for Pillar 2). These material risks are as follows:

Pillar 1 Risks:

- Credit Risk (includes Counterparty and Country Risks);
- Market Risk; and
- Operational Risk

Pillar 2 Risks:

- Credit Concentration Risk;
- Interest Rate Risk in Banking Book (IRRBB);
- Liquidity Risk;
- Reputational Risk;
- Strategic Business Risk;
- Information Security/ Cyber Security / Data Privacy Risk;
- Information Technology Risk; and
- Human Resource Risk

Pillar 1 Risk Weighted Assets are computed based on the guidelines set forth in BSP Circular No. 538, Series of 2006 using the Standardized Approach for Credit and Market Risks and Basic Indicator Approach for Operational Risks. Discussions that follow below are for Pillar 1 Risks with specific discussions relating to Pillar 2 risks mentioned above:

Risk Categories and Definitions

Under the ERMF, all risk-taking business units, including domestic and foreign subsidiaries, shall perform comprehensive assessment of all material risks. This is accomplished annually, and/or more often, as needed. The process includes:

- Determining the most significant risks based on the business impact;
- Quantifying the potential losses of each of these significant risks;
- Providing various risk mitigation and control measures to manage these identified risks; and
- Consolidating computed potential losses for capital computation.

The identification of risks revolves around the monitoring of risk categories as defined by BSP for supervision purposes. These key risks, namely: credit, market, operational, credit concentration, interest rate, liquidity, information technology, information security/cyber security/data privacy, strategic business, reputational, and human resource risks, are not only monitored under their separate and distinct components, but also monitored across all interrelated business risks.

The Bank broadly classifies and defines risks into the following categories and manages the risks according to their characteristics. These are monitored accordingly under the enterprise ICAAP 2024 program:

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
Credit Risk (including Credit Concentration Risks and Counterparty Risks)	Credit risk is the risk that a Bank's borrower/ obligor/ customer or counterparty, will fail to meet its obligations in accordance with agreed terms thus subjecting the Bank to financial loss. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. (BSP Circ. 510, Series of 2006) Credit concentration risk arises from excessive exposures to individual counterparties, groups of related counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sector). Its potential loss implications are large enough relative to a bank's capital, total assets, or overall risk level, to threaten a financial institution's health or ability to maintain its core operations. It is inherent in a bank's assets, liabilities or off-balance sheet items, through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. The potential for loss reflects the size of the position and the extent of loss given a particular adverse circumstance. (BSP MORB Sec 301.6, Series of 2009; BCBS)	▪ Loan Portfolio Analysis ▪ Credit Dashboards ▪ Credit Review ▪ Credit Model Validation	▪ Trend Analysis (Portfolio / Past Due and NPL Levels) ▪ Regulatory and Internal Limits ▪ Stress Testing ▪ Rapid Portfolio Review ▪ CRR Migration ▪ Movement of Portfolio ▪ Concentrations and Demographics Review ▪ Large Exposure Report ▪ Country Limits Monitoring ▪ Counterparty Limits Monitoring ▪ Adequacy of Loan Loss Reserves Review ▪ Post Credit Review ▪ Specialized Credit Monitoring (REST/ERR for Real Estate and Industry Limits)
Market Risk	Market risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of financial instruments, products and transactions in an institution's overall portfolio, both on/off-balance sheet. Market risk arises from market-making, dealing and	▪ Value at Risk (VaR) Utilization ▪ Results of Marking to Market ▪ Risks Sensitivity/ Duration Report ▪ Exposure to Derivative/	▪ VaR Limits ▪ Stop Loss Limits ▪ Management Triggers ▪ Duration Report ▪ ROP Exposure Limit ▪ Limit to Structured Products

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
	position taking in interest rate, foreign exchange, equity, and commodities markets. (BSP Cir. No. 544, Series of 2006)	Structured Products ▪ Monthly validation/ preparation of the Market Risk Weighted Exposures in the CAR Report	▪ Exception Report on Traders' Limit ▪ Exception Report on Rate Tolerance ▪ Stress Testing ▪ BSP Uniform Stress Testing
Liquidity Risk	Liquidity risk is the current and prospective risk to earnings or capital arising from a financial institution's (FI) inability to meet its obligations when they come due, without incurring unacceptable losses or costs. Liquidity risk includes inability to manage unplanned decreases or changes in funding sources. (BSP Cir. No. 981).	▪ Funding Liquidity Plan ▪ Liquidity Ratios ▪ Large Fund Providers ▪ Maximum Cumulative Outflow (MCO) ▪ Liquid Gap Analysis	▪ MCO Limits ▪ Liquid Assets Monitoring ▪ Stress testing ▪ Large Fund Provider Analysis ▪ Funding Liquidity/ Contingency Planning
Interest Rate Risk in the Banking Books (IRRBB)	Interest rate risk is the current and prospective risk to earnings or capital arising from movements in interest rates. It arises from differences between the timing of rate changes and the timing of cash flows (repricing risk); from changing rate relationships among different yield curves affecting FI activities (basis risk); from changing rate relationships across the spectrum of maturities (yield curve risk); and from interest-related options embedded in FI products (options risk). The amount at risk is a function of the magnitude and direction of interest rate changes and the size and maturity structure of the mismatch position. (BSP Circ 1044, Series of 2019)	▪ Interest Rate Gap Analysis ▪ Earnings at Risk (EaR) Measurement ▪ Cashflow based Economic Value of Equity	▪ EAR Limits ▪ Balance Sheet Profiling ▪ Interest Repricing Gap Analysis ▪ Cashflow based Economic Value of Equity (EVE) ▪ Stress testing ▪ BSP Uniform Stress Testing
Operational Risk	Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition includes Legal Risk but excludes Strategic and Reputational Risk. Operational Risk is inherent in all activities, products and services, and cuts across multiple activities and business lines within the FI and across the different entities in a banking group or conglomerate where the financial institution belongs. (BSP Circular 900, dated 18 January 2016)	▪ Risk Identification ▪ Risk Measurement ▪ Risk Evaluation (i.e. Analysis of Risk) ▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Internal Control ▪ Board Approved Operating Policies and Procedures Manuals ▪ Board Approved Product Manuals ▪ Loss Events Report (LER) ▪ Risk and Control Self-Assessment (RCSA) ▪ Key Risk Indicators (KRI) ▪ Fraud Management Program ▪ Business Impact Analysis (BIA) ▪ Business Continuity Risk Assessment (BCRA)

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
			▪ Business Continuity Plan (BCP) ▪ Disaster Recovery Plan (DRP) ▪ Crisis Management Plan (CMP) ▪ BCP Drills/Testing ▪ Incident Monitoring ▪ Vendor Risk Assessment ▪ Vendor Performance Evaluation (VPE) ▪ Materiality Determination Form ▪ Register of Outsourcing Arrangements and Vendor Relationships Form ▪ Statistical Analysis ▪ Risk Awareness
Reputational Risk	Reputational risk is the risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the Bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding. (BSP Circ 1114, Series of 2011)	▪ Risk Identification ▪ Risk Measurement ▪ Risk Evaluation (i.e. Analysis of Risk) ▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Customer Engagement and Consolidated Complaints Report ▪ After Call and After Email Survey ▪ Security measures for Digital Banking ▪ Market research on digital trends and profiling of digital users, statistics on usage, and transactions to anticipate and respond to changes in overall trends related to demands of customers and clients in relation to digital services platforms ▪ Fraud Management Program ▪ Social Media Management Framework ▪ Social Media Risk Management ▪ Use of Social Media metrics / Social Media Analytics ▪ Website Management / Analytics ▪ Public Relations Campaign ▪ Mainstream media monitoring tool ▪ Products and Marketing Promotions review
Strategic Business Risk	Strategic business risk is the current and prospective impact on earnings or capital arising from	▪ Risk Identification ▪ Risk Measurement	▪ Regular ALCO reports ▪ Economic briefings

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
	adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. This risk is a function of the compatibility of the firm's strategic goals, the resources deployed against these goals, and the quality of implementation. The resources needed to carry out business strategies are both tangible and intangible. They include communication channels, operating systems, delivery networks, and managerial capacities and capabilities. The organization's internal characteristics must be evaluated against the impact of economic, technological, competitive, regulatory, and other environmental changes. (BSP Cir. No. 510, dated 03 Feb 2006).	▪ Risk Evaluation (i.e. Analysis of Risk) ▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Banking, industry reports and research studies ▪ Research Division's regular economic reports and forecasting and equities reports ▪ Budget Performance Report (BPR) ▪ Annual Strategic Planning activities ▪ Performance and monitoring reports and surveys on bank products and services
Information Security/ Cyber Security Risk	Information Security (Infosec) / Cyber Security risk is the risk to organizational operations (including mission, functions, image, and reputation), organizational assets, and individuals due to the potential for unauthorized access, use, disclosure, disruption, modification or destruction of information or information assets that will compromise the Confidentiality, Integrity, and Availability (CIA). This covers data or information being processed, in storage or in transit. Cyber Risk is the risk associated with financial loss, disruption or damage to the reputation of an organization from failure, unauthorized or erroneous use of its information systems. (NIST IR 7298 Revision 2, Glossary of Key Information Security Terms, Page Numbers 98 & 100)	▪ Risk Identification ▪ Risk Measurement ▪ Risk Evaluation (i.e. Analysis of Risk) ▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Incident Reporting Management ▪ Information Security Policy Formulation ▪ Risk Assessment ▪ Information Security Management System Implementation ▪ Continuous InfoSec / cyber risk awareness campaigns ▪ Network Security Protection ▪ Limits on Access Privileges ▪ Scanning of outbound and inbound digital traffic
Data Privacy Risk	Data Privacy Risk is the risk associated to potential loss due to unauthorized collection, processing, or access to personal data. It includes risks that the confidentiality, integrity and/or availability of personal data will not be maintained, or the risk that processing will violate the rights of data subjects or the general		▪ Installation of firewalls, IPS/IDS, enterprise security solution (anti-virus for endpoint, email and internet) ▪ Enterprise-wide Implementation of the Information Security Management Systems

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
	privacy principles (i.e., transparency, legitimate purpose, proportionality). Consequently, the data privacy risks may negatively impact the Bank's reputation and may result to financial losses. (Data Privacy Act of 2012 or RA 10173).		▪ Education / InfoSec Awareness is also constantly conducted ▪ Conduct of internal and 3rd party vulnerability assessments and penetration testing (to include social engineering tests) and follow through on remediation of threats and risks ▪ Implementing the enterprise-wide data privacy risk management framework which complies with both domestic and global requirements ▪ Institutionalization of data protection culture within the group through regular awareness programs ▪ Data Privacy Management System ▪ Conduct of Privacy Impact Assessment (PIA) as required by DPA of 2012
Information Technology Risk	Information Technology Risk is any potential adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks. (BSP Circular 808) It is also a business risk that is associated with the use, ownership, operation, involvement, influence and adoption of IT within the Bank. It consists of IT-related events that could potentially impact the business. IT Risk includes Information Security Risk that could result from non-preservation of any or all of the domains of information security; that is, confidentiality, integrity and availability of information asset. (ISACA Risk IT Framework).	▪ Risk Identification ▪ Risk Measurement ▪ Risk Evaluation (i.e. Analysis of Risk) ▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Risk Awareness Campaigns ▪ IT Risk Assessments ▪ Formal Project Management Program adoption ▪ Vulnerability Assessment and Penetration Testing ▪ Maintenance and upgrades of disaster recovery sites ▪ Business Users / IT joint engagement for problem resolution ▪ Technology Operations Management Policies & Guidelines ▪ IT Risk Monitoring ▪ IT Risk Assessment ▪ Project Risk Assessment
Human Resource Risk	Human Resource Risk covers the Bank's risk of financial loss due to the inadequate training and inexperience or illegal activities of risk-taking behavior of personnel. This risk is closely related to	▪ Risk Identification ▪ Risk Measurement ▪ Risk Evaluation (i.e. Analysis of Risk)	▪ Institutionalize policies covering Talent Acquisition/Retention and Career Management; ▪ Remuneration Management;

Risk Category	Risk Definition	Risk Monitoring Process	Risk Management Tools
	operations risk and its internal control aspects. It highlights the human side of risk-taking and the role and adequacy of code of conduct, personnel policies, training and development programs, ability to recruit and retain employees through adequate compensation and benefits and ability to sustain adequate workforce through succession planning.	▪ Risk Management (i.e. Monitor, Control or Mitigate Risk) ▪ Risk Maps	▪ Performance Appraisal System ▪ Training and Development ▪ Labor Management Relations ▪ Code of Conduct/ Personnel Policies ▪ Employee Welfare/ Wellness ▪ Employee Engagement Program ▪ Rewards System ▪ Compensation Package Review ▪ Attendance Reports ▪ Performance Appraisal Report ▪ Monitoring of employee's deliberate non-submission of acknowledgement receipts of personnel policies issued by HRG ▪ Grievance Reports/Complaints ▪ Attrition rates, separation reports and exit interview forms ▪ Disciplinary Cases Report ▪ Recruitment Turnaround Time Report ▪ Number of training programs conducted Report ▪ Hiring and Attrition Tracking

Regulatory Capital Requirements Under Basel III – Pillar 1 Capital Adequacy Ratio

The Bank's Capital Adequacy Ratio as of December 31, 2024 stood at 20.10% on a consolidated basis while the Risk Weighted Assets (RWA) as of the end of 2024 amounted to ₱828.154 billion, composed of ₱733.394 billion (Credit Risk Weighted Assets – CRWA), ₱5.862 billion (Market Risk Weighted Assets – MRWA) and ₱88.898 billion (Operations Risk Weighted Assets – ORWA).

The Bank's regulatory requirements for the four quarters for 2024 are as follows:

Consolidated	Weighted Exposures (As of End of Every Quarter of 2024)			
(Amounts in ₱ millions)	Mar 31	June 30	Sep 30	Dec 31
CRWA	656,507	687,735	686,602	733,394
MRWA	49,090	8,698	24,270	5,862
ORWA	88,898	88,898	88,898	88,898
Total Risk-Weighted Assets	794,494	785,331	799,770	828,154
Common Equity Tier 1 Ratio	17.61%	18.50%	19.14%	19.21%
Capital Conservation Buffer	11.61%	12.50%	13.14%	13.21%
Total Capital Adequacy Ratio	18.44%	19.38%	20.00%	20.10%

Presented below is the full reconciliation of all regulatory capital elements back to the Parent Company balance sheet in the audited financial statements of the Bank as at December 31, 2024 (amounts in thousands):

Accounts	Balance in Financial Reporting Package	Accounting differences and other adjustments	Balance in Audited Financial Statements
Capital stock	₱61,030,594	₱–	₱61,030,594
Additional paid-in capital	32,106,560	–	32,106,560
Surplus reserves	5,022,572	(55,535)	4,967,037
Surplus	106,425,689	7,397,903	113,823,592
Net unrealized loss on available-for-sale investments	281,371	(139,237)	142,134
Remeasurement losses on retirement plan	(2,655,218)	–	(2,655,218)
Accumulated translation adjustment	2,449,264	(91,420)	2,357,844
Other equity reserves	392,749	937,941	1,330,690
Share in aggregate reserves on life insurance policies	–	21,209	21,209
TOTAL	₱205,053,581	₱8,070,861	₱213,124,442

Credit Risk-Weighted Assets as of December 31, 2024

The Bank adopts the standardized approach in quantifying the risk-weighted assets. Credit risk exposures are risk weighted based on third party credit assessments of Fitch, Moody's, Standard & Poor's and PhilRatings agencies. The ratings of these agencies are mapped in accordance with the BSP's standards. The following are the consolidated credit exposures of the Bank and the corresponding risk weights:

In ₱ Millions	Exposure, Net of Specific Provision	Exposures covered by Credit Risk Mitigants*	Net Exposure	0%	20%	50%	75%	100%	150%
Cash & Cash Items	20,586	–	20,586	20,586	–	–	–	–	–
Due from BSP	55,136	–	55,136	55,136	–	–	–	–	–
Due from Other Banks	21,781	–	21,781	–	10,820	8,923	–	2,038	–
Financial Asset at FVPL	–	–	–	–	–	–	–	–	–

In ₹ Millions	Exposure, Net of Specific Provision	Exposures covered by Credit Risk Mitigants*	Net Exposure	0%	20%	50%	75%	100%	150%
Available for Sale	186,890	3,407	183,483	159,098	5,435	4,450	—	14,500	-
Held to Maturity (HTM)	114,361	4,154	110,207	84,226	7,582	10,430	—	7,970	-
Unquoted Debt Securities	—	—	—	—	—	—	—	—	—
Loans & Receivables	657,853	5,677	652,176	—	90,484	34,683	7,845	505,979	13,184
Loans and Receivables Arising from Repurchase Agreements, Securities Lending and Borrowing Transactions	103,868	67,144	36,724	35,528	—	1,197	—	—	—
Sales Contracts Receivable	859	—	859	—	—	—	—	707	152
Real & Other Properties Acquired	10,409	—	10,409	—	—	—	—	—	10,409
Other Assets	23,232	—	23,232	1,095	—	—	—	22,138	—
Total On-Balance Sheet Asset	1,194,975	80,382	1,114,593	355,668	114,321	59,682	7,845	553,331	23,745
Total Risk Weighted Asset - On-Balance Sheet	—	—	—	—	22,864	47,303	5,884	553,331	35,618
Total Risk Weighted Asset - Off-Balance Sheet Asset	—	—	—	—	—	—	324	62,995	—
Counterparty Risk Weighted Asset in Banking Book	—	—	—	—	2,046	870	—	—	—
Counterparty Risk Weighted Asset in Trading Book	—	—	—	—	14	1,303	—	590	—

* Credit Risk Mitigants used are cash, guarantees and warrants.

Market Risk-Weighted Assets as of December 31, 2024

The Bank's regulatory capital requirements for market risks of the trading portfolio are determined using the standardized approach ("TSA"). Under this approach, interest rate exposures are charged both for specific risks and general market risk. The general market risk charge for trading portfolio is calculated based on the instrument's coupon and remaining maturity with risk weights ranging from 0% for items with very low market risk (i.e., tenor of less than 30 days) to a high of 12.5% for high risk-items (i.e., tenor greater than 20 years) while capital requirements for specific risk are also calculated for exposures with risk weights ranging from 0% to 8% depending on the issuer's credit rating. On the other hand, equities portfolio is charged 8% for both specific and general market risk while foreign exchange (FX) exposures are charged 8% for general market risks only.

Capital Requirements by Market Risk Type under the Standardized Approach

(Amounts in ₱ Millions)	Capital Charge (a)	Adjusted Capital Charge (b) b= a*125% 1/	Market Risk Weighted Exposures (c) c= b*10 2/
Interest Rate Exposures	324.178	405.223	4,052.231
Specific Risk	4.759	5.949	59.492
General Market Risk	319.419	399.274	3,992.739
Equity Exposures	0.459	0.573	5.733
Foreign Exchange Exposures	144.324	180.405	1,804.047
Total	468.961	586.201	5,862.010
Notes: 1/ Capital charge is multiplied by 125% to be consistent with BSP required minimum Capital Adequacy Ratio (CAR) of 10%, which is 25% higher than the Basel minimum of 8%. 2/ Adjusted capital charge is multiplied by 10 (i.e. the reciprocal of the minimum capital ratio of 10%)			

The following are the Bank's exposure with assigned market risk capital charge.

Interest Rate Exposures consist of specific risk and general market risk.

Specific Risk

Specific Risk which reflects the type of issuer of the combined portfolio of financial assets designated at Fair Value through Profit or Loss (FVPL) is ₱4.759 million and is composed of securities with various tenors that are subjected to risk weight ranging from 0% to 8%. One percent (1%) of these securities are issued by Republic of the Philippines (ROP) while 3% is attributable to debt securities rated AAA to BBB- issued by other entities. The remaining portfolio consists of all other debt securities that are issued by other entities. One percent (1%) of this combined portfolio is composed of USD-denominated debt securities issued by the Philippines with applicable risk weight of 1.00% to 1.6%. On the other hand, the Bank's holding in peso denominated securities which are estimated at ninety-six percent (96%) of the portfolio have zero risk weight.

Part IV.1a INTEREST RATE EXPOSURES – SPECIFIC RISK (Amounts in ₱ millions)							
	Positions	Risk Weight					
		0.00%	0.25%	1.00%	1.60%	8.00%	Total
PHP-denominated debt securities issued by the Philippine National Government (NG) and BSP	Long	15,952.886	—	—	—	—	—
	Short	—	—	—	—	—	—
FCY-denominated debt securities issued by the Philippine NG/BSP	Long	—	—	60.192	179.613	—	—
	Short	—	—	—	—	—	—
Debt securities/derivatives with credit rating BBB- and above issued by other sovereigns	Long	—	—	—	—	—	—
	Short	—	—	—	—	—	—
Debt securities/derivatives with credit rating of	Long	—	499.537	—	2.172	—	—
	Short	—	—	—	—	—	—

Part IV.1a INTEREST RATE EXPOSURES – SPECIFIC RISK (Amounts in ₱ millions)							
	Positions	Risk Weight					
		0.00%	0.25%	1.00%	1.60%	8.00%	Total
AAA to BBB-issued by other entities							
All other debt securities/derivatives that are below BBB- and unrated	Long					–	–
	Short	–	–	–	–	–	–
Subtotal	Long	15,952.886	499.537	60.192	181.786	–	–
	Short	–	–	–	–	–	–
Risk Weighted Exposures [Sum of long and short positions times the risk weight]		–	1.249	0.602	2.909		4.759
Specific Risk Capital Charge for Credit-Linked Notes and Similar Products		–	–	–	–	–	–
Specific Risk Capital Charge for Credit Default Swaps and Total Return Swaps		–	–	–	–	–	–
Specific Risk Capital Charge for Debt Securities and Debt Derivatives		–	–	–	–	–	4.759

General Market Risk – Peso

The Bank's total General Market Risk of its Peso debt securities and interest rate derivative exposure is ₱36,301.634 million. In terms of weighted positions, the greater portion (51%) of the Bank's capital charge comes from the 15 to 20 years bucket at ₱111.638 million as well as Over 5 year to 7 years bucket (29%) at ₱64.577 million or a combined capital charge of ₱176.215 million. The remaining weighted positions (20%) are distributed over the remaining buckets.

Currency: PESO							
PART IV.1d GENERAL MARKET RISK (Amounts in ₱ millions)							
Zone	Time Bands		Debt Securities & Debt Derivatives/Interest Rate Derivatives		Risk Weight	Weighted Positions	
			Total Individual Positions				
	Coupon 3% or more	Coupon less than 3%	Long	Short		Long	Short
1	1 month or less	1 month or less	47,578.813	12,122.016	0.00%	0.000	0.000
	Over 1M to 3M	Over 1M to 3M	12,776.234	18,045.435	0.20%	25.551	36.091
	Over 3M to 6M	Over 3M to 6M	4,119.399	5,241.004	0.40%	16.478	20.964
	Over 6M to 12M	Over 6M to 12M	3,450.463	2,213.707	0.70%	24.153	15.496
2	Over 1Y to 2Y	Over 1.0Y to 1.9Y	5.168	43.377	1.25%	0.065	0.542
	Over 2Y to 3Y	Over 1.9Y to 2.8Y	5.254	0.000	1.75%	0.092	0.000
	Over 3Y to 4Y	Over 2.8Y to 3.6Y	107.588	0.000	2.25%	2.421	0.000
3	Over 4Y to 5Y	Over 3.6Y to 4.3Y	2,430.917	418.991	2.75%	66.850	11.522
	Over 5Y to 7Y	Over 4.3Y to 5.7Y	1,986.969	0.000	3.25%	64.577	0.000

Currency: PESO							
PART IV.1d GENERAL MARKET RISK (Amounts in ₱ millions)							
Zone	Time Bands		Debt Securities & Debt Derivatives/Interest Rate Derivatives		Risk Weight	Weighted Positions	
			Total Individual Positions				
	Coupon 3% or more	Coupon less than 3%	Long	Short		Long	Short
	Over 7Y to 10Y	Over 5.7Y to 7.3Y	14.072	217.826	3.75%	0.528	8.168
	Over 10Y to 15Y	Over 7.3Y to 9.3Y	2.672	0.000	4.50%	0.120	0.000
	Over 15Y to 20Y	Over 9.3Y to 10.6Y	2,126.440	0.000	5.25%	111.638	0.000
	Over 20Y	Over 10.6Y to 12Y	0.000	0.000	6.00%	0.000	0.000
		Over 12Y to 20Y	0.000	0.000	8.00%	0.000	0.000
		Over 20Y	0.000	0.000	12.50%	0.000	0.000
Total			74,603.991	38,302.357		312.473	92.783
Overall Net Open Position							219.690
Vertical Disallowance							6.964
Horizontal Disallowance							13.080
Total General Market Risk Capital Charge							239.734

General Market Risk – US Dollar

The capital charge on the Bank's General Market Risk from dollar-denominated exposures is ₱43.180 million. The exposure is concentrated under the Over 1 month to 3 months' time bucket with risk weight of 0.20% resulting in a capital charge of ₱38.124 million. The balance is distributed across other time buckets up to over 20 years with capital charge ranging from ₱0.166 million to ₱23.246 million.

Currency: USD							
PART IV.1d GENERAL MARKET RISK (Amounts in ₱ millions)							
Zone	Time Bands		Debt Securities & Debt Derivatives/Interest Rate Derivatives		Risk Weight	Weighted Positions	
			Total Individual Positions				
	Coupon 3% or more	Coupon less than 3%	Long	Short		Long	Short
1	1 month or less	1 month or less	14,806.000	41,702.695	0.00%	0.000	0.000
	Over 1M to 3M	Over 1M to 3M	19,062.099	13,159.101	0.20%	38.124	26.318
	Over 3M to 6M	Over 3M to 6M	5,811.535	11,985.484	0.40%	23.246	47.942
	Over 6M to 12M	Over 6M to 12M	2,216.099	289.225	0.70%	15.513	2.025
2	Over 1Y to 2Y	Over 1.0Y to 1.9Y	105.601	0.000	1.25%	1.320	0.000
	Over 2Y to 3Y	Over 1.9Y to 2.8Y	55.848	0.000	1.75%	0.977	0.000
	Over 3Y to 4Y	Over 2.8Y to 3.6Y	0.000	0.000	2.25%	0.000	0.000
3	Over 4Y to 5Y	Over 3.6Y to 4.3Y	431.398	0.000	2.75%	11.863	0.000
	Over 5Y to 7Y	Over 4.3Y to 5.7Y	5.102	0.000	3.25%	0.166	0.000
	Over 7Y to 10Y	Over 5.7Y to 7.3Y	282.421	0.000	3.75%	10.591	0.000
	Over 10Y to 15Y	Over 7.3Y to 9.3Y	29.502	0.000	4.50%	1.328	0.000
	Over 15Y to 20Y	Over 9.3Y to 10.6Y	24.756	0.000	5.25%	1.300	0.000
	Over 20Y	Over 10.6Y to 12Y	0.000	0.000	6.00%	0.000	0.000
		Over 12Y to 20Y	0.000	0.000	8.00%	0.000	0.000
		Over 20Y	0.000	0.000	12.50%	0.000	0.000
Total			42,830.361	67,136.505		104.428	76.285
Overall Net Open Position							28.143
Vertical Disallowance							5.159
Horizontal Disallowance							9.878
Total General Market Risk Capital Charge							43.180

General Market Risk – Third Currencies

The Bank is likewise exposed to various third currency contracts most of them are in less than 30 days that carries a 0% risk weight. The combined general market risk charge for contracts in Australian Dollar (AUD), Singaporean Dollar (SGD), Japanese Yen (JPY), Hong Kong Dollar (HKD), Korean Won (KRW), New Zealand Dollar (NZD), Euro (EUR), Pound Sterling (GBP) and Canadian Dollar (CAD), is ₱36.505 million with risk weight of 0.20% to 0.40%.

PART IV.1d GENERAL MARKET RISK (Amounts in ₱ millions)										
Currency	Time Bands	Total Debt Securities & Debt Derivatives/Interest Rate Derivatives		Risk Weight	Weighted Positions		Overall Net Open Position	Vertical disallowance	Horizontal disallowance within	Total General Market Risk Capital Charge
		Long	Short		Long	Short				
AUD	1 month or less	0.000	17.989	0.00%	0.000	0.000				
	Over 1M to 3M	0.000	0.000	0.20%	0.000	0.000				
TOTAL		0.000	17.989		0.000	0.000	0.000	–	–	0.000
CAD	1 month or less	0.000	40.150	0.00%	0.000	0.000				
TOTAL		0.000	40.150		0.000	0.000	0.000	–	–	0.000
SGD	1 month or less	0.000	419.055	0.00%	0.000	0.000				
TOTAL		0.000	419.055		0.000	0.000	0.000	–	–	0.000
JPY	1 month or less	585.155	19.529	0.00%	0.000	0.000	0.000			0.000
	Over 1 months to 3 months	926.743	5.560	0.20%	1.853	0.011				
	Over 6 months to 12 months	7,454.861	0.000	0.40%	29.819					
TOTAL		8,966.760	25.090		31.672	0.011	31.662	0.001	–	31.663
HKD	1 month or less	0.000	1,225.20	0.00%	0.000	0.000				
	Over 1M to 3M	0.000	1,089.716	0.20%	0.000	2.179				
	Over 3M to 6M	0.000	568.844	0.40%	0.000	2.276				
TOTAL		0.000	2,883.758		0.000	4.455	4.455	0.00	–	4.455
NZD	1 month or less	0.000	16.263	0.00%	0.000	0.000				
	Over 1M to 3M	0.000	0.000	0.20%	0.000	0.000				
TOTAL		0.000	16.236		–	0.000	–	–	–	–
EUR	1 month or less	0.000	241.190	0.00%	0.000	0.000				
	Over 1 months to 3 months	1,937.571	1,937.571	0.20%	3.875	3.875				
TOTAL		1,937.571	2,178.762		0.000	0.000	0.387	0.387	0.000	0.387
GBP	1 month or less	–	72.468	0.00%	0.000	0.000				
TOTAL		0.000	72.468		0.000	0.000	–	–	–	–
KRW	1 month or less	–	16.263	0.00%	0.000	0.000				
TOTAL		0.000	16.263		0.000	0.000	–	–	–	–
TOTAL THIRD CURRENCIES										36.505

Equity Exposures

The Bank's holdings are in the form of preferred stocks traded in the PSE, with 8% risk weight both for specific and general market risk. The Bank's capital charge for equity weighted positions is ₱0.458 million or total risk-weighted equity exposures of ₱5.732 million.

Item	Nature of Item	Positions	Stock Markets
			Philippines
A.1	Common Stocks	Long	–
		Short	–
A.9	Others	Long	2.866
		Short	–
A.10	TOTAL	Long	2.866
		Short	–
B.	Gross (long plus short) positions (A.10)		2.866
C.	Risk Weights		8%
D.	Specific risk capital charges (B. times C.)		0.229
E.	Net long or short positions		2.866
F.	Risk Weights		8%
G.	General market risk capital charges (E. times F.)		0.229
H.	Total Capital Charge For Equity Exposures (sum of D. and G.)		0.458
I.	Adjusted Capital Charge For Equity Exposures (H. times 125%)		0.573
J.	Total Risk-Weighted Equity Exposures (I. times 10)		5.732

Foreign Exchange Exposures

The Bank's exposure to FX Risk carries a capital charge of ₱144.323 million. This includes ₱92.552 million arising from exposure in Non-Deliverable Forwards (NDFs) which carries a 4% risk weight while ₱51.771 million is from FX Exposures with 8% risk weight in FX assets and FX liabilities in U.S. Dollar (USD), and third currencies not limited to Japanese Yen (JPY), Swiss Franc (CHF), Pound Sterling (GBP), Euro (EUR), Canadian Dollar (CAD), Australian Dollar (AUD), Singapore Dollar (SGD) and other minor currencies.

Part IV. 3 FOREIGN EXCHANGE EXPOSURES (as of December 31, 2024)						
		Closing Rate USD/₱:				57.845
Nature of Item	Currency	In Million USD Equivalent			In Million Pesos	
		Net Long/(Short) Position (excluding options)		Net Delta-Weighted Positions of FX Options	Total Net Long/(Short) Positions	Total Net Long/(Short) Position
		Banks	Subsidiaries /Affiliates			
		1	2	3	4=1+2+3	5
Currency						
A.1 U.S. Dollar	USD	(7.433)	1.229		(6.203)	(358.867)
A.2 Japanese Yen	JPY	0.096	0.000		0.096	5.574
A.3 Swiss Franc	CHF	1.271	0.000		1.270	73.513
A.4 Pound Sterling	GBP	0.924	(0.514)		0.410	23.743
A.5 Euro	EUR	5.178	0.013		5.190	300.243
A.6 Canadian Dollar	CAD	0.326	0.000		0.301	18.843
A.7 Australian Dollar	AUD	0.301	0.000		0.310	17.424
A.8 Singapore Dollar	SGD	3.120	0.000		3.119	180.459
A.9 Foreign currencies not separately specified above						
Arab Emirates Dirham	AED	0.018	0.000		0.018	1.057
Bahrain Dinar	BHD	0.003	0.000		0.003	0.195
Brunei Dollar	BND	0.006	0.000		0.006	0.357
Yuan Renminbi	CNY	(0.494)	0.000		(0.494)	(28.591)
Hongkong Dollar	HKD	0.554	(0.327)		0.227	13.147
Korean Won	KRW	0.046	0.000		0.046	2.679
Malaysian Ringgit	MYR	0.000	0.000		0.00	0.00

Part IV. 3 FOREIGN EXCHANGE EXPOSURES (as of December 31, 2024)						
	Closing Rate USD/₱:					57.845
Nature of Item	Currency	In Million USD Equivalent				In Million Pesos
		Net Long/(Short) Position (excluding options)		Net Delta- Weighted Positions of FX Options	Total Net Long/(Short) Positions	Total Net Long/(Short) Position
		Banks	Subsidiaries /Affiliates			
		1	2	3	4=1+2+3	5
Norwegian Krone	NOK	0.000	0.000		0.00	0.00
New Zealand Dollar	NZD	0.003	0.000		0.002	0.171
Saudi Riyal	SAR	0.154	0.000		0.153	8.893
Thai Baht	THB	0.007	0.000		0.006	0.378
Taiwan Dollar	TWD	0.008	0.000		0.008	0.464
Indo Rupiah	INR	0.000	0.000		0.00	0.00
A.10 Sum of net long positions						647.147
A.11 Sum of net short positions						(387.458)
B. Overall net open positions 1/						647.147
C. Risk Weight						8%
D. Total Capital Charge for Foreign Exchange Exposures (B. times C.)						51.771
E. Adjusted Capital Charge for Foreign Exchange Exposures (D. times 125%)						64.147
F. Total Risk-Weighted Foreign Exchange Exposures, Excluding Incremental Risk-Weighted Foreign Exchange Exposures Arising from NDF Transactions (E. times 10)						647.147
G. Incremental Risk-Weighted Foreign Exchange Exposures Arising from NDF Transactions (Part IV.3A, Item F.)						1,156.900
H. Total Risk-Weighted Foreign Exchange Exposures (Sum of F. and G.)						1,804.047

Operational Risk-Weighted Assets as of December 31, 2024

The Bank uses the Basic Indicator Approach in quantifying the risk-weighted assets for Operational Risk. Under the Basic Indicator Approach, the Bank is required to hold capital for operational risk equal to the average over the previous three years of a fixed percentage (15% for this approach) of positive annual gross income (figures in respect of any year in which annual gross income was negative or zero are excluded).

(Amounts in ₱ Millions) Consolidated as of December 31, 2024	Gross Income	Capital Requirement (15% x Gross Income)
2021 (Year 3)	41,386	6,208
2022 (Year 2)	47,232	7,085
2023 (Last Year)	53,619	8,043
Average for 3 Years		7,112
Adjusted Capital Charge (Average x 125%)		8,890
Total Operational Risk Weighted Asset		88,898

Item 2. Properties

PNB's corporate headquarters is located at the PNB Financial Center, bounded on the west side by the Pres. Diosdado P. Macapagal Boulevard, Pasay City, Metro Manila, and on the north side by the World Trade Center building. The Bank leases the premises for its Head Office and houses some of PNB's domestic subsidiaries.

Disclosed in Exhibit II (a) is the list of Bank-owned properties as of December 31, 2024.

The Bank leases the premises occupied by some of its branches. Lease contracts are generally for periods ranging from one year up to 25 years based on original tenor and are renewable upon mutual agreement of both parties under certain terms and conditions.

Disclosed in Exhibit II (b) is the list of Bank's branches that are under lease as of December 31, 2024.

The Bank does not have any current plans to acquire any property within the next twelve (12) months.

Item 3. Legal Proceedings

The Bank is a party to various legal proceedings which arise in the ordinary course of its operations. The Bank and its legal counsels believe that any losses arising from these contingencies, which are not specifically provided for, will not have a material adverse effect on its financial statements.

Item 4. Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of the security holders during the fourth (4th) quarter of the year covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer’s Common Equity and Related Stockholder Matters

A. Market Price of and Dividends on Registrant’s Common Equity and Related Stockholders Matters:

1. Market Information

All issued PNB common shares are listed and traded in the PSE. The high and low sales prices of PNB shares for each quarter for the last two (2) fiscal years are:

	<u>2023</u>		<u>2024</u>	
	High	Low	High	Low
Jan – Mar	20.10	18.20	20.80	18.46
Apr – Jun	18.96	18.24	23.95	19.12
Jul – Sep	18.70	18.10	28.90	21.75
Oct – Dec	18.88	18.16	28.25	25.25

The trading price of each PNB common share as of December 31, 2024 was ₱27.70.

2. Holders

There are 35,918 shareholders as of December 31, 2024. The top twenty (20) holders of common shares, the number of shares held, and the percentage to total shares outstanding held by each are as follows:

Name of Stockholder	Nationality	No. of Shares	Percentage of Ownership
1. PCD Nominee Corporation (Filipino)	Filipino	199,839,234	13.0976430608
2. Key Landmark Investments, Ltd.	Filipino	133,277,924	8.7351549618
3. True Success Profits Limited	Filipino	82,017,184	5.3754799765
Caravan Holdings Corporation	Filipino	82,017,184	5.3754799765
Solar Holdings Corporation	Filipino	82,017,184	5.3754799765
4. Prima Equities & Investments Corp.	Filipino	71,765,036	4.7035449794
5. Leadway Holdings, Inc.	Filipino	65,310,444	4.2805052168
6. Infinity Equities, Inc.	Filipino	61,512,888	4.0316099824
7. Pioneer Holdings Equities, Inc.	Filipino	34,254,212	2.2450518506
8. Multiple Star Holdings Corp.	Filipino	30,798,151	2.0185385055
9. Donfar Management Limited	Filipino	30,747,898	2.0152448787
10. Uttermost Success, Limited	Filipino	30,233,288	1.9815168766
11. Mavelstone International Limited	Filipino	29,575,168	1.9383831001
12. Pan Asia Securities Corporation	Filipino	29,442,159	1.9296655707
13. Kenrock Holdings Corp.	Filipino	26,018,279	1.7052613973
14. Fil-Care Holdings, Inc.	Filipino	25,450,962	1.6680789310
15. Fairlink Holdings Corp.	Filipino	25,207,795	1.6521415472
16. Purple Crystal Holdings, Inc.	Filipino	24,404,724	1.5995075519
17. Kentron Holdings & Equities Corp.	Filipino	24,361,225	1.5966565883
18. Fragile Touch Investments, Ltd.	Filipino	22,696,137	1.4875252238
19. Ivory Holdings, Inc.	Filipino	20,761,731	1.3607425155
20. Allmark Holdings, Corp.	Filipino	20,724,567	1.3583067535

3. Dividends

The Bank's ability to pay dividends is contingent on its ability to set aside unrestricted retained earnings for dividend distribution. In addition, the Bank's declaration of dividends, including computation of unrestricted retained earnings, is subject to compliance with certain rules and regulations prescribed by the BSP as provided under the Manual of Regulations for Banks and subject to compliance with such financial regulatory requirements as may be applicable to the Bank at the time of such declaration.

On February 28, 2025, the Board has adopted the following general policy on the declaration of dividends:

Dividends shall be paid out of the Bank's surplus profits at a payout ratio equivalent to 20% of the Bank's net income of the prior year or at an amount as may be determined by the Board of Directors, in accordance with the applicable provisions and regulations set out by the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission. Dividends may be paid out in cash, in shares of stock or in property.

As a banking institution, the Board of Directors regularly evaluates and determines the appropriate amount of capital that the Bank needs to achieve its strategic objectives. This is reflected in the Bank's capital management process, and dividend payout is considered in this process.

On April 23, 2021, PNB's BOD approved and confirmed the property dividend declaration of up to 239,353,710 common shares of PNB Holdings, with par value of ₱100 per share, to all stockholders of record as of May 18, 2021 (Record Date), subject to regulatory and other necessary approvals.

The property dividend shall be paid at a ratio of 0.156886919 shares of PNB Holdings for every one (1) share of PNB. The ratio for property dividend was determined by dividing the 239,353,710 common shares of PNB Holdings, Inc. held and declared as property dividends by the Bank over the Bank's 1,525,764,850 total outstanding shares. In case a stockholder is entitled to a fractional PNB Holdings share, the Bank shall pay for such fraction in cash based on par value on the payment or settlement date.

On December 27, 2021, the Bank received the Certificate of Filing the Notice of Property Dividend Declaration issued by the Securities and Exchange Commission on December 24, 2021.

On September 27, 2024, the Board of Directors approved and confirmed October 25, 2024 as the Distribution Date of the property dividends declared on April 23, 2021. This is for stockholders who were issued electronic Certificates Authorizing Registration (eCAR) by the Bureau of Internal Revenue (BIR) as of August 29, 2024 and have fully settled their obligations. The dividend distribution will continue as and when eCARs are released by the BIR and all obligations are settled.

The Bank did not declare dividends on its Common Shares for the fiscal years 2023 and 2024.

On February 28, 2025, the Board of Directors approved the declaration of cash dividends in the amount of ₱2.76 per Common Share, to be taken out of the Bank's Unrestricted Retained Earnings as of December 31, 2024, to be paid as follows:

	Amount per Common Share	Record Date	Payment Date
First Tranche	₱1.38	March 14, 2025	April 2, 2025
Second Tranche	₱1.38	September 15, 2005	October 1, 2025

The foregoing information addresses the requirement of Section 49 of the Revised Corporation Code to present to the stockholders the dividend policy of the Bank.

4. Recent Sales of Unregistered or Exempt Securities, including Recent Issuance of Securities Constituting an Exempt Transaction

There were no sales of unregistered securities within the past three (3) years.

5. Computation of Public Ownership

As of December 31, 2024, PNB's public ownership level is 22.22%, which more than complies with the minimum percentage of 20% for listed companies, in compliance with the public ownership requirement of the PSE.

B. Description of PNB's Securities

- As of December 31, 2024, PNB's authorized capital stock amounted to ₱70,000,000,040.00 divided into 1,750,000,001 common shares having a par value of ₱40.00 per share.
- The total number of common shares outstanding as of December 31, 2024 is 1,525,764,850. This includes the 423,962,500 common shares issued relative to the merger of PNB and Allied Banking Corporation subject of the Registration Statement approved by the Securities and Exchange Commission and listed with the Philippine Stock Exchange.
- As of December 31, 2024, a total of 1,506,480,773 common shares (or 98.74%) are held by Filipino-Private Stockholders, while the remaining 19,284,077 common shares (or 1.26%) are held by Foreign-Private Stockholders. PNB has a total of ₱61,030,594,000.00 subscribed capital.
- The Bank's stockholders have no pre-emptive right to subscribe to any new or additional issuance of shares by the Bank, regardless of the class of shares, whether the same are issued from the Bank's unissued capital stock or in support of an increase in capital. *(Item Seventh of PNB's Amended Articles of Incorporation)*
- At each meeting of the stockholders, every stockholder entitled to vote on a particular question involved shall be entitled to one (1) vote for each share of stock standing in his name in the books of the Bank at the time of the closing of the transfer books for such meeting or on the record date fixed by the Board of Directors. *(Section 4.9, Article IV, PNB's Amended By-Laws)*
- Section 23 of the Revised Corporation Code of the Philippines provides that " x x x stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws or where the bylaws are silent, at the time of the election. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or distribute them on the same principle among as many candidates as may be seen fit x x x".

Item 6. Management's Discussion and Analysis

2024 vs 2023

The Group's consolidated total assets stood at ₱1,257.6 billion as of December 31, 2024, 3.9% or ₱47.1 billion higher compared to the ₱1,210.5 billion reported as of December 31, 2023. Major changes (+/- 5% variance) in assets were registered in the following accounts:

- Cash and Other Liquid Placements**

(In Thousands)	December 31,		Increase/ (Decrease)	%
	2024	2023		
Cash and Other Cash Items	₱20,638,033	₱21,151,391	(₱513,358)	(2.4)
Due from Bangko Sentral ng Pilipinas	55,128,316	95,410,350	(40,282,034)	(42.2)
Due from Other Banks	20,183,894	21,243,856	(1,059,962)	(5.0)
Interbank Loans Receivable	22,787,194	35,634,440	(12,847,246)	(36.1)
Securities Held under Agreements to Resell	103,480,119	69,694,538	33,785,581	48.5
	₱222,217,556	₱243,134,575	(₱20,917,019)	(8.6)

Total Cash and Other Liquid Placements as of December 31, 2024 stand at ₱222.2 billion, representing a decrease of ₱20.9 billion or 8.6% lower than the ₱243.1 billion reported on December 31, 2023.

Available liquid funds were placed in short term secured facility of the BSP, booked under Securities Held under Agreements to Resell.

- Trading and Investment Securities**

(In Thousands)	December 31,		Increase/ (Decrease)	%
	2024	2023		
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	₱17,920,985	₱10,516,864	₱7,404,121	70.4
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	211,742,783	164,531,492	47,211,291	28.7
Investment Securities at Amortized Cost	112,422,382	123,200,427	(10,778,045)	(8.7)
	₱342,086,150	₱298,248,783	₱43,837,367	14.7

Trading and Investment Securities, which accounted for 27.2% of the Group's total assets as of December 31, 2024 versus 24.6% as of December 31, 2023, increased by ₱43.8 billion or 14.7%. This growth was primarily due to net purchases of financial assets at FVTPL and at FVOCI.

- Property and Equipment**

(in thousands)	December 31,		Increase/ (Decrease)	%
	2024	2023		
Property and Equipment	₱10,195,539	₱10,754,018	(₱558,479)	(5.2)

Property and Equipment decreased by ₱0.6 billion or 5.2% to ₱10.2 billion as of December 31, 2024, from ₱10.8 billion as of December 31, 2023, mainly due to depreciation and amortization during the period.

- **Investment in an Associate**

<i>(in thousands)</i>	December 31,		Increase/ (Decrease)	%
	2024	2023		
Investment in an Associate	₱3,446,613	₱3,199,124	₱247,489	7.7

Investment in an Associate rose by ₱0.2 billion or 7.7% to ₱3.4 billion as of December 31, 2024 compared to ₱3.2 billion as of December 31, 2023. This increase resulted from the Bank's equity share in the net comprehensive income of the associate for the period.

- **Investment Properties**

<i>(in thousands)</i>	December 31,		Increase/ (Decrease)	%
	2024	2023		
Investment Properties	₱15,964,267	₱14,579,558	₱1,384,709	9.5

Investment Properties increased by ₱1.4 billion or 9.5% to ₱16.0 billion as of December 31, 2024, up from ₱14.6 billion as of December 31, 2023. This growth was mainly attributed to new foreclosures of real and other properties, offset by disposals during the period.

- **Deferred Tax Assets**

<i>(in thousands)</i>	December 31,		Increase/ (Decrease)	%
	2024	2023		
Deferred Tax Assets	₱7,460,676	₱6,981,726	₱478,950	6.9

Deferred Tax Assets increased by ₱0.5 billion or 6.9% to ₱7.5 billion as of December 31, 2024, from ₱7.0 billion as of December 31, 2023, mainly due to the recognition of additional deferred tax assets on allowance for credit losses.

- **Intangible Assets**

<i>(in thousands)</i>	December 31,		Increase/ (Decrease)	%
	2024	2023		
Intangible Assets	₱1,084,955	₱1,301,726	(₱216,771)	(16.7)

Intangible Assets decreased by ₱0.2 billion or 16.7% to ₱1.1 billion as of December 31, 2024, from ₱1.3 billion as of December 31, 2023 mainly due to amortization during the period.

- **Other Assets**

<i>(in thousands)</i>	December		Increase/ (Decrease)	%
	2024	2023		
Other Assets	₱8,150,629	₱5,454,301	₱2,696,328	49.4

Other Assets grew by ₱2.7 billion or 49.4% to ₱8.2 billion as of December 31, 2024, from ₱5.5 billion as of December 31, 2023 mainly due to increases in deferred charges, retirement asset and miscellaneous assets.

The Group's consolidated total liabilities were at ₱1,041.0 billion as of December 31, 2024, 2.1% or ₱21.6 billion higher than the ₱1,019.4 billion as of December 31, 2023. Major changes (+/-5% variance) in liability accounts were as follows:

- **Deposit Liabilities**

<i>(in thousands)</i>	December		Increase/ (Decrease)	%
	2024	2023		
Demand	₱244,369,119	₱228,405,865	₱15,963,254	7.0
Savings	575,335,527	541,009,449	34,326,078	6.3
Time	147,368,732	145,752,061	1,616,671	1.1
Long Term Negotiable Certificates of Deposit	4,598,770	12,803,543	(8,204,773)	(64.1)
Deposit Liabilities	₱971,672,148	₱927,970,918	₱43,701,230	4.7

Deposit Liabilities were at ₱971.7 billion and ₱928.0 billion, which represent 93.3% and 91.0% of the Group's total liabilities as of December 31, 2024 and December 31, 2023, respectively, are higher by ₱43.7 billion or 4.7% mainly due to increases in Savings Deposits by ₱34.3 billion or 6.3%, Demand Deposits by ₱16.0 billion or 7.0% and Time Deposits by ₱1.6 billion or 1.1%. Long Term Negotiable Certificates of Deposit amounting to ₱8.2 billion matured on August 27, 2024.

- **Financial Liabilities at FVTPL**

<i>(in thousands)</i>	December		Increase/ (Decrease)	%
	2024	2023		
Financial Liabilities at FVTPL	₱924,053	₱555,811	₱368,242	66.3

Financial Liabilities at FVTPL of ₱0.9 billion as at December 31, 2024 is ₱0.4 billion higher than the 2023 year-end balance of ₱0.6 billion mainly from increase in the position and fair values of stand-alone forwards.

- **Bonds Payable**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2024	2023		
Bonds Payable	₱17,304,421	₱41,490,871	(₱24,186,450)	(58.3)

Bonds payable relating to the USD750,000 3.28% Medium Term Note was fully settled following its maturity on September 27, 2024. Subsequently, on October 14, 2024, the Bank issued US\$300 million benchmark-sized Sustainability Regulation S offering of 5-year senior notes under its US\$2 billion Euro Medium Term Note programme. The 5-year bond was priced at T+102 basis points, with a fixed coupon rate of 4.85%.

- **Other Liabilities**

<i>(in thousands)</i>	December		Increase/ (Decrease)	%
	2024	2023		
Accrued Taxes, Interest and Other Expenses	₱8,798,553	₱10,465,373	(₱1,666,820)	(15.9)
Income Tax Payable	₱159,233	₱180,364	(₱21,131)	(11.7)
Other Liabilities	₱18,106,056	₱14,741,922	₱3,364,134	22.8

Accrued Taxes, Interest, and Other Expenses declined by ₱1.7 billion, dropping from ₱10.5 billion as of December 31, 2023 to ₱8.8 billion as of December 31, 2024 mainly due to lower

accruals for promotional expenses, information technology-related expenses, repairs and maintenance, professional fees and taxes and licenses during the period.

Income Tax Payable decreased by ₱21.1 million or 11.7% from ₱180.4 million as of December 31, 2023 to ₱159.2 million as of December 31, 2024, mainly due to application of creditable withholding taxes and quarterly income tax payments.

Other Liabilities is at ₱18.1 billion as of December 31, 2024, increasing from ₱14.7 billion as of December 31, 2023, mainly due to increases in accounts payable, bills purchased – contra and due to other banks.

The Group's consolidated total equity was composed of the following:

<i>(in thousands)</i>	December		Increase/ (Decrease)	%
	2024	2023		
Capital Stock	₱61,030,594	₱61,030,594	₱–	–
Capital Paid in Excess of Par Value	32,116,560	32,116,560	–	–
Surplus Reserves	4,967,037	4,677,930	289,107	6.2
Surplus	113,663,851	91,979,317	21,684,534	23.6
Net Unrealized Gains (Losses) on Financial Assets at FVOCI	142,134	(1,722,653)	1,864,787	108.3
Remeasurement Losses on Retirement Plan	(2,655,218)	(2,728,542)	73,324	2.7
Accumulated Translation Adjustment	2,357,844	1,999,668	358,176	17.9
Other Equity Reserves	1,189,003	248,830	940,173	377.8
Share in Aggregate Reserves on Life Insurance Policies	21,209	24,246	(3,037)	(12.5)
Other Equity Adjustment	13,959	13,959	–	–
	212,846,973	187,639,909	25,207,064	13.4
Non-Controlling Interests	3,781,968	3,508,745	273,223	7.8
	₱216,628,941	₱191,148,654	₱25,480,287	13.3

Total Equity stood at ₱216.6 billion as of December 31, 2024 from ₱191.1 billion as of December 31, 2023, or an increase of ₱25.5 billion or 13.3%. The increase is attributed mainly to the consolidated net income reported for the year of ₱21.2 billion, increase in Accumulated Translation adjustment, reversal of Net Unrealized Losses into Net Unrealized Gains on Financial Assets at FVOCI, and increase in Other Equity Reserves amounting to ₱0.94 billion from share swap transactions.

2023 vs 2022

The Group's consolidated total assets stood at ₱1,210.5 billion as of December 31, 2023, 5.7% or ₱65.4 billion higher compared to ₱1,145.2 billion reported as of December 31, 2022. Major changes (+/- 5% variance) in assets were registered in the following accounts:

• Cash and Other Liquid Placements

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Cash and Other Cash Items	₱21,151,391	₱22,217,915	(₱1,066,524)	(4.8)
Due from Bangko Sentral ng Pilipinas	95,410,350	94,701,360	708,990	0.7
Due from Other Banks	21,243,856	26,010,183	(4,766,327)	(18.3)
Interbank Loans Receivable	35,634,440	16,290,101	19,344,339	118.7
Securities Held under Agreements to Resell	69,694,538	64,523,863	5,170,675	8.0
	₱243,134,575	₱223,743,422	₱19,391,153	8.7

Total Cash and Other Liquid Placements as of December 31, 2023 increased by ₱19.4 billion or 8.7%. Available liquid funds were either placed in loans to other banks which are booked under Interbank Loans Receivable or deployed to Loans and Receivables.

Please refer to the consolidated statements of cash flows for more information relating to cash and cash equivalents.

- **Trading and Investment Securities**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Financial Assets at Fair Value Through Profit or Loss (FVTPL)	₱10,516,864	₱7,347,201	₱3,169,663	43.1
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	164,531,492	158,183,525	6,347,967	4.0
Investment Securities at Amortized Cost	123,200,427	110,467,960	12,732,467	11.5
	₱298,248,783	₱275,998,686	₱22,250,097	8.1

Trading and Investment Securities, representing 24.6% and 24.1% of the Group's total assets as of December 31, 2023 and 2022, respectively, increased by ₱22.3 billion or 8.1%, mainly due to net purchases of financial assets at FVTPL, financial assets at FVOCI, and investment securities at amortized cost during the year.

- **Property and Equipment, Investment Properties and Intangible Assets (including Goodwill)**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Property and Equipment	₱10,754,018	₱11,973,547	(₱1,219,529)	(10.2)
Investment Properties	₱14,579,558	₱13,794,986	₱784,572	5.7
Intangible Assets	₱1,301,726	₱1,863,922	(₱562,196)	(30.2)
Goodwill	₱10,184,843	₱11,221,410	(₱1,036,567)	(9.2)

Property and Equipment and Intangible Assets as of December 31, 2023 at ₱10.8 billion and ₱1.3 billion, respectively, decreased by ₱1.2 billion and ₱0.6 billion, respectively, compared to ₱12.0 billion and ₱1.9 billion, respectively, as of December 31, 2022, mainly due to depreciation and amortization during the year.

Investment Properties amounted to ₱14.6 billion as of December 31, 2023, an increase by ₱0.8 billion or 5.7% compared to ₱13.8 billion as of December 31, 2022, due to new foreclosures of real and other properties, offset by disposals during the year.

Goodwill amounted to ₱10.2 billion as of December 31, 2023, a decrease of ₱1.0 billion, or 9.2%, as a result of impairment in value.

- **Investment in an Associate**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Investment in an Associate	₱3,199,124	₱2,688,764	₱510,360	19.0

Investment in an Associate increased by ₱0.5 billion or 19.0% from ₱2.7 billion as of December 31, 2022 to ₱3.2 billion as of December 31, 2023, as a result of the equity share in the net comprehensive income of the associate for the year.

- **Deferred Tax Assets**

(in thousands)	December 31		Increase/ (Decrease)	%
	2023	2022		
Deferred Tax Assets	₱6,981,726	₱6,616,902	₱364,824	5.5

Deferred Tax Assets increased by ₱0.4 billion or 5.5%, at ₱7.0 billion as of December 31, 2023 from ₱6.6 billion as of December 31, 2022 mainly due to the recognition of additional deferred tax assets on allowance for credit losses.

- **Other Assets**

(in thousands)	December 31		Increase/ (Decrease)	%
	2023	2022		
Other Assets	₱5,454,301	₱4,155,522	₱1,298,779	31.3

Other Assets as of December 31, 2023, at ₱5.5 billion, grew by ₱1.3 billion or 31.3% from ₱4.2 billion as of December 31, 2022, mainly due to increases in deferred charges, creditable withholding taxes, fund for electronic money products and documentary stamps on hand.

The Group's consolidated total liabilities were at ₱1,019.4 billion as of December 31, 2023, 4.5% or ₱44.1 billion higher from ₱975.3 billion as of December 31, 2022. Major changes (+/-5% variance) in liability accounts were as follows:

- **Deposit Liabilities**

(in thousands)	December 31		Increase/ (Decrease)	%
	2023	2022		
Demand	₱228,405,865	₱220,043,866	₱8,361,999	3.8
Savings	541,009,449	519,940,535	21,068,914	4.1
Time	145,752,061	112,113,308	33,638,753	30.0
Long Term Negotiable Certificates	12,803,543	19,130,012	(6,326,469)	(33.1)
	₱927,970,918	₱871,227,721	₱56,743,197	6.5

Deposit Liabilities at ₱928.0 billion and ₱871.2 billion, which represent 91.0% and 89.3% of the Group's total liabilities as of December 31, 2023 and 2022, respectively, are higher by ₱56.7 billion or 6.5% mainly due to increase in Time Deposits by ₱33.6 billion or 30.0%, Savings Deposits by ₱21.1 billion or 4.1%, and Demand Deposits by ₱8.4 billion or 3.8%. The increase was offset by maturity of a Long Term Negotiable Certificate of Deposit amounting to ₱6.3 billion.

- **Financial Liabilities at FVTPL**

(in thousands)	December 31		Increase/ (Decrease)	%
	2023	2022		
Financial Liabilities at FVTPL	₱555,811	₱1,039,776	(₱483,965)	(46.5)

Financial Liabilities at FVTPL as at December 31, 2023 are ₱0.5 billion lower than the 2022 year-end balance of ₱1.0 billion mainly from decreases in position and fair values of stand-alone forwards.

- **Bills and Acceptances Payable and Bonds Payable**

(in thousands)	December 31		Increase/ (Decrease)	%
	2023	2022		
Bills and Acceptances Payable	₱20,162,603	₱14,980,373	₱5,182,230	34.6
Bonds Payable	₱41,490,871	₱58,439,097	(₱16,948,226)	(29.0)

Bills and Acceptances Payable increased by ₱5.2 billion or 34.6% from ₱15.0 billion as of December 31, 2022 to ₱20.2 billion as of December 31, 2023, mainly from borrowings from foreign banks.

Bonds Payable decreased by ₱17.0 billion or 29.0% from ₱58.4 billion as of December 31, 2022 to ₱41.5 billion as of December 31, 2023, mainly due to the maturity of the \$300 million, 4.25% fixed rate bonds in April 2023.

• **Other Liabilities**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Lease Liabilities	₱3,832,884	₱3,636,391	₱196,493	5.4
Accrued Taxes, Interest and Other Expenses	₱10,465,373	₱9,117,393	₱1,347,980	14.8
Income Tax Payable	₱180,364	₱983,051	(₱802,687)	(81.7)
Other Liabilities	₱14,741,922	₱15,827,640	(₱1,085,718)	(6.9)

Lease Liabilities increased by ₱0.2 billion or 5.4% from ₱3.6 billion as of December 31, 2022 to ₱3.8 billion as of December 31, 2023, due to certain lease contract renewals entered into by the Group, partly offset by payments for the year.

Accrued Taxes, Interest and Other Expenses was higher by ₱1.3 billion, from ₱9.1 billion as of December 31, 2022 to ₱10.5 billion as of December 31, 2023, mainly due to the increase in accrued interest from deposits.

Income Tax Payable decreased by ₱0.8 billion or 81.7% from ₱1.0 billion as of December 31, 2022 to ₱0.2 billion as of December 31, 2023 mainly due to application of available creditable withholding taxes against income tax liability during the year.

Other Liabilities at ₱14.7 billion as of December 31, 2023 declined from ₱15.8 billion as of December 31, 2022 mainly due to decreases in accounts payable, manager's checks and demand drafts outstanding and dormant credits.

The Group's consolidated total equity was composed of the following:

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2023	2022		
Capital Stock	₱61,030,594	₱61,030,594	₱–	–
Capital Paid in Excess of Par Value	32,116,560	32,116,560	–	–
Surplus Reserves	4,677,930	4,929,242	(251,312)	(5.1)
Surplus	91,979,317	73,748,748	18,230,569	24.7
Net Unrealized Losses on Financial Assets at FVOCI	(1,722,653)	(5,959,275)	4,236,622	71.1
Remeasurement Losses on Retirement Plan	(2,728,542)	(2,222,945)	(505,597)	(22.7)
Accumulated Translation Adjustment	1,999,668	2,314,447	(314,779)	(13.6)
Other Equity Reserves	248,830	248,830	–	–
Share in Aggregate Reserves on Life Insurance Policies	24,246	136,096	(111,850)	(82.2)
Other Equity Adjustment	13,959	13,959	–	–
	187,639,909	166,356,256	21,283,653	12.8
Non-Controlling Interests	3,508,745	3,549,378	(40,633)	1.1
	₱191,148,654	₱169,905,634	₱21,243,020	12.5

Total Equity stood at ₱191.1 billion as of December 31, 2023 from ₱169.9 billion as of December 31, 2022, or an increase of ₱21.2 billion or 12.5% attributed mainly to the ₱18.0 billion consolidated net income reported for the year and ₱4.2 billion decrease in Net Unrealized Losses on Financial Assets at FVOCI.

Results of Operations

2024 vs 2023

For the year ended December 31, 2024, the Group recorded a consolidated net income of ₱21.2 billion against the ₱18.0 billion net income of the preceding year, reflecting a 17.9% year-on-year growth, supported by strong net interest income. The higher net income in 2024 is primarily due to the following:

- **Net Interest Income**

<i>(in thousands)</i>	2024	2023	Increase/ (Decrease)	%
Interest income	₱67,458,590	₱59,594,529	₱7,864,061	13.2
Interest expense	18,118,120	15,001,686	3,116,434	20.8
	₱49,340,470	₱44,592,843	₱4,747,627	10.6

Net interest income reached ₱49.3 billion for the year ended December 31, 2024, marking an increase of 10.6% or ₱4.7 billion compared to the same period last year. Gross interest income rose by 13.2% or ₱7.9 billion to ₱67.5 billion, driven primarily by higher yields and volume of loans, investment securities and interbank receivables. Gross interest expense went up by ₱3.1 billion or 20.8% at ₱18.1 billion, up from ₱15.0 billion for the same period last year, largely due to the increase in interest cost of deposit liabilities, reflecting both higher rates and an increased volume of deposits.

- **Net Services Fees and Commission Income**

<i>(in thousands)</i>	2024	2023	Increase/ (Decrease)	%
Services fees and commission income	₱6,961,870	₱6,591,256	₱370,614	5.6
Services fees and commission expense	1,447,236	1,266,613	180,623	14.3
	₱5,514,634	₱5,324,643	₱189,991	3.6

Net service fees and commission income increased by ₱0.2 billion or by 3.6% to ₱5.5 billion compared to the previous year. The increase was mainly due to the increases in credit card and deposit-related fees, partially offset by lower income from underwriting activities and increase in fees and commission expenses during the year.

- **Other Operating Income**

<i>(in thousands)</i>	2024	2023	Increase/ (Decrease)	%
Net gains on sale or exchange of assets	₱1,995,042	₱4,541,567	(₱2,546,525)	(56.1)
Foreign exchange gains - net	1,169,286	1,367,409	(198,123)	(14.5)
Trading and investment securities gains (losses) - net	647,580	394,103	253,477	64.3
Equity in net earnings of an associate	419,505	268,093	151,412	56.5
Miscellaneous	688,971	871,394	(182,423)	(20.9)
	₱4,920,384	₱7,442,566	(₱2,522,182)	(33.9)

Other operating income decreased by ₱2.5 billion, or by 33.9%, to ₱4.9 billion for the year ended December 31, 2024, compared to ₱7.4 billion in the previous year. The decline was mainly due to lower gains from sale of investment properties and a decrease in foreign exchange gains in

2024. Meanwhile, net trading gains and equity in net earnings of an associate increased by ₱0.3 billion and ₱0.2 billion, respectively.

- **Operating Expenses**

<i>(in thousands)</i>	2024	2023	Increase/ (Decrease)	%
Compensation and fringe benefits	₱10,668,601	₱10,464,071	₱204,530	2.0
Taxes and licenses	5,230,401	4,852,190	378,211	7.8
Depreciation and amortization	3,659,014	3,976,069	(317,055)	(8.0)
Occupancy and equipment-related costs	1,117,892	916,735	201,157	21.9
Miscellaneous	8,953,772	8,218,171	735,601	9.0
	₱29,629,680	₱28,427,236	₱1,202,444	4.2

Total operating expenses for the year ended December 31, 2024 amounted to ₱29.6 billion, reflecting an increase of ₱1.2 billion or 4.2% compared to the prior year. The increase was primarily attributed to higher compensation and fringe benefits, taxes and licenses, occupancy and equipment-related costs, and miscellaneous expenses from higher marketing fees. These increases were partially offset by lower depreciation and amortization expenses.

- **Provision for Impairment, Credit and Other Losses and Impairment in Value of Goodwill**

<i>(in thousands)</i>	December 31 2024	2023	Increase/ (Decrease)	%
Provision for impairment, credit and other losses	₱3,868,111	₱5,923,054	(₱2,054,943)	(34.7)
Impairment in value of goodwill	₱–	₱1,036,567	(₱1,036,567)	(100.0)

Provisions for impairment, credit and other losses dropped to ₱3.9 billion for the year ended December 31, 2024, significantly lower than the ₱5.9 billion recorded in the previous year. This reduction reflects the improvement in the credit quality of the Group's loan portfolio as the economy continues to grow. In 2023, the goodwill impairment test performed by the Group resulted in an impairment in value of ₱1.0 billion.

The Group's total consolidated comprehensive income was composed of the following:

<i>(in thousands)</i>	2024	2023	Increase/ (Decrease)	%
Net income	₱21,177,965	₱17,965,820	₱3,212,145	17.9
Other comprehensive income, net of tax	3,365,695	3,280,769	84,926	2.6
	₱24,543,660	₱21,246,589	₱3,297,071	15.5

Total comprehensive income for the year ended December 31, 2024 amounted to ₱24.5 billion, registering an increase of ₱3.3 billion compared to the previous year. This growth was primarily driven by higher net income during the year by ₱3.2 billion, ₱0.9 billion increase in accumulated translation adjustment, ₱0.6 billion net change in remeasurement gains (losses) on retirement plan, and ₱0.1 billion share in changes in aggregate reserves (losses) on life insurance policies. The increases were offset by lower net change in unrealized gains (losses) on Financial Assets at FVOCI by ₱1.5 billion.

2023 vs 2022

For the year ended December 31, 2023, the Group recorded a consolidated net income of ₱18.0 billion, growing by 55.1% year-on-year on the back of robust net interest income and lower credit provisions, compared to the ₱11.6 billion net income for the year ended December 31, 2022. The higher net income in 2023 is primarily due to the following:

- **Net Interest Income**

<i>(in thousands)</i>	2023	2022	Increase/ (Decrease)	%
Interest income	₱59,594,529	₱45,244,402	₱14,350,127	31.7
Interest expense	15,001,686	7,916,832	7,084,854	89.5
	₱44,592,843	₱37,327,570	₱7,265,273	19.0

Net Interest Income amounted to ₱44.6 billion, higher by 19.0% or ₱7.3 billion compared to the previous year. Gross Interest Income increased by 31.7% or ₱14.4 billion to ₱59.6 billion in 2023, mainly due to higher yields on loans, investment securities, deposits with banks and interbank receivables. Gross interest expense likewise increased by ₱7.1 billion or 89.5% to ₱15.0 billion from ₱7.9 billion in 2022 due to increase in interest cost of deposit liabilities.

- **Net Services Fees and Commission Income**

<i>(in thousands)</i>	2023	2022	Increase/ (Decrease)	%
Services fees and commission income	₱6,591,256	₱6,997,609	(₱406,353)	(5.8)
Services fees and commission expense	1,266,613	1,429,195	(162,582)	(11.4)
	₱5,324,643	₱5,568,414	(₱243,771)	(4.4)

Net service fees and commission income slightly decreased by ₱0.2 billion or 4.4% compared to the previous year to ₱5.3 billion for the year ended December 31, 2023, mainly due to lower underwriting and bancassurance revenues, partly offset by increases in deposit and credit card related, interchange, and trust fees.

- **Other Operating Income**

<i>(in thousands)</i>	2023	2022	Increase/ (Decrease)	%
Net gains on sale or exchange of assets	₱4,541,567	₱7,775,154	(₱3,233,587)	(41.6)
Foreign exchange gains - net	1,367,409	1,608,281	(240,872)	(15.0)
Trading and investment securities gains (losses) - net	394,103	(1,280,783)	1,674,886	130.8
Equity in net earnings (losses) of subsidiaries and an associate	268,093	(56,060)	324,153	578.2
Miscellaneous	871,394	1,136,692	(265,298)	(23.3)
	₱7,442,566	₱9,183,284	(₱1,740,718)	(19.0)

Other operating income decreased by ₱1.7 billion or 19.0% at ₱7.4 billion for the year ended December 31, 2023, compared to ₱9.2 billion in the previous year mainly due to lower net gain on sale or exchange of assets. This was offset by higher net trading and foreign exchange gains by ₱1.4 billion and equity in net earnings of an associate by ₱0.3 billion.

- **Operating Expenses**

<i>(in thousands)</i>	2023	2022	Increase/ (Decrease)	%
Compensation and fringe benefits	₱10,464,071	₱9,762,776	₱701,295	7.2
Taxes and licenses	4,852,190	5,225,595	(373,405)	(7.1)
Depreciation and amortization	3,976,069	4,225,746	(249,677)	(5.9)
Occupancy and equipment-related costs	916,735	1,099,876	(183,141)	(16.7)
Miscellaneous	8,218,171	8,051,942	166,229	2.1
	₱28,427,236	₱28,365,935	₱61,301	0.2

Total operating expenses is flat at ₱28.4 billion for the years ended December 31, 2023 and 2022.

- **Provision for Impairment, Credit and Other Losses and Impairment in Value of Goodwill**

<i>(in thousands)</i>	December 31 2023	2022	Increase/ (Decrease)	%
Provision for impairment, credit and other losses	₱5,923,054	₱7,198,117	(₱1,275,063)	(17.7)
Impairment in value of goodwill	₱1,036,567	₱—	₱1,036,567	100.0

Provisions for impairment, credit and other losses is lower at ₱5.9 billion for the year ended December 31, 2023 compared to the ₱7.2 billion provisions booked in the previous year. In 2023, the goodwill impairment test performed by the Group resulted in an impairment in value of goodwill by ₱1.0 billion.

The Group's total consolidated comprehensive income was composed of the following:

<i>(in thousands)</i>	2023	2022	Increase/ (Decrease)	%
Net income	₱17,965,820	₱11,583,988	₱6,381,832	55.1
Other comprehensive income (loss), net of tax	3,280,769	(2,887,965)	6,168,734	(213.6)
	₱21,246,589	₱8,696,023	₱12,550,566	144.3

Total comprehensive income for the year ended December 31, 2023 amounted to ₱21.2 billion, registering an increase of ₱12.6 billion compared to the previous year mainly due to the higher net income during the period by ₱6.4 billion and reduction in unrealized losses on financial assets at FVOCI by ₱2.9 billion from a (₱5.7 billion) net change in 2022.

2022 vs 2021

For the year ended December 31, 2022, the Group posted a net income of ₱11.6 billion, ₱20.1 billion lower than the ₱31.7 billion net income last year due to one-off gains in 2021 as discussed below. Movements in net income are primarily due to the following:

- **Net Interest Income**

<i>(in thousands)</i>	2022	2021	Increase/ (Decrease)	%
Interest income	₱45,244,402	₱42,402,377	₱2,842,025	6.7
Interest expense	7,916,832	7,557,550	359,282	4.8
	₱37,327,570	₱34,844,827	₱2,482,743	7.1

Net interest income amounted to ₱37.3 billion, higher by 7.1% or ₱2.5 billion compared to last year. Total gross interest income increased by 6.7% or ₱2.8 billion to ₱45.2 billion for the year

ended December 31, 2022, reflective of the rising interest rate environment in 2022. Total gross interest expense slightly increased by ₱0.4 billion to ₱7.9 billion in 2022 from ₱7.5 billion in 2021 primarily due to higher interest cost of deposit liabilities as compared to last year.

- **Net Services Fees and Commission Income**

<i>(in thousands)</i>	2022	2021	Increase/ (Decrease)	%
Services fees and commission income	₱6,997,609	₱6,340,326	₱657,283	10.4
Services fees and commission expense	1,429,195	1,051,376	377,819	35.9
	₱5,568,414	₱5,288,950	₱279,464	5.3

Net service fees and commission income increased by ₱0.3 billion or 5.3% at ₱5.6 billion for the year ended December 31, 2022, mainly due to increases in deposit-related, bancassurance, underwriting, remittance fees and interchange fees, partly offset by decreases in loan and credit card-related and trust fees and increases in banking fees and commission.

- **Other Operating Income**

<i>(in thousands)</i>	2022	2021	Increase/ (Decrease)	%
Net gains on sale or exchange of assets	₱7,775,154	₱981,462	₱6,793,692	692.2
Foreign exchange gains - net	1,608,281	743,549	864,732	116.3
Trading and investment securities gains (losses) - net	(1,280,783)	731,572	(2,012,355)	(275.1)
Equity in net earnings (losses) of subsidiaries and an associate	(56,060)	50,789	(106,849)	(210.4)
Miscellaneous	1,136,692	1,070,047	66,645	6.2
	₱9,183,284	₱3,577,419	₱5,605,865	156.7

Other operating income increased by ₱5.6 billion in 2022 or 156.7%, mainly coming from the sale of major investment properties as part of the Group's strategy to monetize the value of its low-earning assets. However, this was offset by the increase in trading and investment securities losses of ₱2.0 billion brought about by the continued hike in benchmark interest rates in 2022 affecting both the Bank and its associate.

- **Other Income**

<i>(in thousands)</i>	2022	2021	Increase/ (Decrease)	%
Gain on loss of control of subsidiaries - net	₱—	₱16,807,275	(₱16,807,275)	(100.0)
Gain on remeasurement of retained interest	—	16,477,968	(16,477,968)	(100.0)
	₱—	₱33,285,243	(₱33,285,243)	(100.0)

In 2021, the Group recognized one-off gains: gain on remeasurement of the retained interest in PNB Holdings of ₱16.5 billion; and gain on loss of control over PNB Holdings as a subsidiary of ₱16.8 billion in accordance with PFRS 10, *Consolidated Financial Statements*.

- **Operating Expenses**

<i>(in thousands)</i>	2022	2021	Increase/ (Decrease)	%
Compensation and fringe benefits	₱9,762,776	₱9,985,822	(₱223,046)	(2.2)
Taxes and licenses	5,225,595	3,988,371	1,237,224	31.0
Depreciation and amortization	4,225,746	2,845,717	1,380,029	48.5
Occupancy and equipment-related costs	1,099,876	1,124,166	(24,290)	(2.2)
Miscellaneous	8,051,942	8,202,755	(150,813)	(1.8)
	₱28,365,935	₱26,146,831	₱2,219,104	8.5

Total operating expenses amounted to ₱28.4 billion for the year ended December 31, 2022, ₱2.2 billion or 8.5% higher compared to last year, mainly due to the increase of ₱1.4 billion in Depreciation and amortization, and ₱1.2 billion in Taxes and licenses, offset by decreases in Compensation and fringe benefits by ₱0.2 billion.

- **Provision for Impairment, Credit and Other Losses and Impairment in Value of Goodwill**

<i>(in thousands)</i>	December 31		Increase/ (Decrease)	%
	2022	2021		
Provision for Impairment, Credit and Other Losses	₱7,198,117	₱10,725,014	(₱3,526,897)	(32.9)
Impairment in Value of Goodwill	₱–	₱2,153,997	(₱2,153,997)	(100.0)

The Group recorded lower provisions for impairment, credit and other losses at ₱7.2 billion for the year ended December 31, 2022 compared to the ₱10.7 billion provisions recorded in 2021 when the Group was still continuing to build its loan loss reserves in anticipation of the rise in nonperforming COVID-impacted accounts of the Group. In 2021, the goodwill impairment test performed by the Group resulted in an impairment in value of goodwill by ₱2.2 billion.

The Group's total consolidated comprehensive income was composed of the following:

<i>(in thousands)</i>			Increase/ (Decrease)	%
	2022	2021		
Net income	₱11,583,988	₱31,690,038	(₱20,106,050)	(63.4)
Other comprehensive loss, net of tax	(2,887,965)	(2,052,906)	(835,059)	40.7
	₱8,696,023	₱29,637,132	(₱20,941,109)	(70.7)

Total comprehensive income for the year ended December 31, 2022 amounted to ₱8.7 billion, registering a decrease of ₱20.9 billion compared to last year mainly due to the lower net income during the year brought about by one-off gains totaling ₱33.3 billion recognized in 2021, and increase in net changes in other comprehensive loss by ₱0.8 billion or 40.7%.

Key Performance Indicators

- Capital Adequacy/Capital Management

The Bank's Capital Management Sub-Committee (CMSC) of the Asset Liability Committee (ALCO) was created to specifically handle policies and procedures pertaining to the capital planning and assessment as well as possible equity investments of the Bank.

The CMSC's responsibility are as follows:

- Determine the appropriate level of capital that will support the attainment of the Bank's strategic objectives, meet the minimum regulatory requirements and cover all material risks that the Bank may encounter in the course of its business.
- Periodically monitor and assess the capital ratios of the Bank. Monitoring shall include capital ratios with and without the regulatory stress test prescribed by the regulators, based on both the consolidated and solo financial statements of the Bank.
- Report to the ALCO the Bank's capital ratio and position based the consolidated and solo financial statements on a monthly basis and to the Board ICAAP Steering Committee on a quarterly basis.

- Inform the ALCO/Board ICAAP Steering Committee on possible breach of ICAAP capital thresholds, particularly during period of stress and activating the Bank's capital contingency plan, if needed.
 - The CMSC will evaluate and endorse to the Board the options to improve the Bank's capital adequacy as provided for in the Capital Contingency Plan.
 - In case of capital sourcing, the CMSC shall endorse to the Board ICAAP Steering Committee/Board the manner, the amount and time period for capital raising.
- Ensure that the capital ratios resulting from the three-year strategic business plan under the Bank's ICAAP shall meet the minimum regulatory requirement as well as the Bank's internal thresholds.
 - The CMSC shall determine the Bank's internal thresholds and shall endorse the same to the Board ICAAP Steering Committee/Board.
- Undertake the optimal allocation of the capital to the different business groups in accordance with the portfolio diversification policy and subject to the sustainability of earnings, risk weights of assets, among others.

The Bank and its individual regulatory operations have complied with all externally imposed capital requirements throughout the year.

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's "unimpaired capital" (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies, which differ from PFRS in some respects. The risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (parent bank and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Other minimum ratios include Common Equity Tier (CET) 1 ratio and Tier 1 capital ratios of 6.0% and 7.5%, respectively. A conservation buffer of 2.5%, comprised of CET 1 capital is likewise imposed.

Banks and their subsidiaries are subject to the following risk-based capital adequacy ratios (CAR):

- a. Common Equity Tier 1 – must be at least 6.0% of risk weighted assets at all times;
- b. Tier 1 capital must be at least 7.5% of risk weighted assets at all times; and
- c. Qualifying capital (Tier 1 Capital plus Tier 2 Capital) must be at least 10.0% of risk weighted assets at all times.

Qualifying capital consists of the sum of the following elements, net of required deductions:

- a. Common equity Tier 1 capital consists of 1) paid up common stock that meet the eligibility criteria, 2) common stock dividends distributable, additional paid in capital resulting from the issuance of common stock included in CET1 capital, 3) deposits for common stock subscription, 4) retained earnings, 5) undivided profits, 6) other comprehensive income (net unrealized gains or losses on available-for-sale securities and cumulative foreign currency translation) and minority interest on subsidiary banks which are less than wholly-owned
- b. Additional Tier 1 (AT1) capital consists of instruments issued by the bank that are not included in CET 1 capital that meet the criteria for inclusion in additional tier 1 capital, meet the required loss absorbency features for instrument classified as liabilities and loss absorbency feature at point of non-viability as defined in the BSP guidelines.
- c. Tier 2 (T2) capital is composed of 1) instruments issued by the Bank (and are not included in AT1 capital) that meet criteria for inclusion in Tier 2 and meet the required loss absorbency

feature at point of non-viability as defined in the guidelines, 2) deposits for subscription of T2 capital, 3) appraisal increment reserves on bank premises as authorized by the Monetary Board, 4) general loan loss provision, limited to a maximum of 1.00% of credit risk weighted asset, and minority interest in subsidiaries which are less than wholly owned as defined in the guidelines.

A capital conservation buffer of 2.5% of risk weighted assets, comprised of CET 1 capital, shall be required. This buffer is meant to promote the conservation of capital and build-up of adequate cushion that can be drawn down to absorb losses during period of financial and economic stress.

The Group's consolidated CAR were 20.10%, 17.70%, and 15.38%, as of December 31, 2024, 2023, and 2022, respectively, above the minimum 10% required by the BSP. For the detailed calculation and discussion kindly refer to Item 1, No. 10 – Risk Management.

- Asset Quality

The NPL ratio of the Group, net of valuation reserves, is at 1.81% as of December 31, 2024, compared to 2.46% at the end of 2023. Gross NPL ratio is at 5.68% at the end of 2024 compared to 6.26% at the end of 2023.

- Profitability

	<u>Years Ended</u>	
	<u>12/31/24</u>	<u>12/31/23</u>
Return on equity (ROE) ^{1/}	10.39%	9.95%
Return on assets (ROA) ^{2/}	1.72%	1.53%
Net interest margin (NIM) ^{3/}	4.50%	4.23%

^{1/}Net income divided by average total equity for the year indicated

^{2/}Net income divided by average total assets for the year indicated

^{3/}Net interest income divided by average interest-earning assets

- Liquidity

As of December 31, 2024 and 2023, the Liquidity Coverage Ratio reported to the BSP is at 254.46% and 271.54%, well-above the minimum regulatory requirement of 100.00% at all times. The ratio of current assets to current liabilities was at 71.45% as of December 31, 2024 compared to 70.57% as of December 31, 2023.

- Cost Efficiency

The ratio of total operating expenses to total operating income is at 49.57% for the year ended December 31, 2024 compared to 49.56% in the previous year.

Known Trends, Demands, Commitments, Events, and Uncertainties

The Bank presently has more than adequate liquid assets to meet known funding requirements, and there are no known trends, demands, commitments, events, or uncertainties that will have a material impact on the Bank's liquidity.

Events that Will Trigger Direct or Contingent Financial Obligation

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities that are not presented in the financial statements including several suits and claims which remain

unsettled. The Group and its legal counsels believe that any losses arising from these contingencies which are not specifically provided for will not have a material adverse effect on the financial statements.

Material Off-Balance Sheet Transactions, Arrangement, or Obligation

The summary of material off-balance sheet transactions, arrangement, or obligations (including contingent obligations) is discussed in Note 40.7 (Report on the Supplementary Information Required Under BSP Circular No. 1074) of the accompanying audited financial statements of the Group as attached under Exhibit I.

Capital Expenditures

In line with the Bank's digital transformation initiatives and enhancing customer banking experience strategy, technology upgrades account for the bulk of the Bank's capital expenditures for 2024. Capital expenditures are funded from the proceeds of the sale of acquired assets and funds generated from the Bank's regular operations.

Significant Elements of Income or Loss

Significant elements of the Bank's revenues consist mainly of net interest income, service fees, net trading gains and gains from disposal of acquired properties while the Bank's expenses consist mainly of staff cost, depreciation and amortization of assets and provisions for probable losses. Please refer to the discussions on the results of operations for further details.

Seasonal Aspects

There was no seasonal aspect that had material effect on the Bank's financial condition or results of operations.

Item 7. Financial Statements

The Audited Financial Statements of the Group, which comprise the Statements of Financial Position as of December 31, 2024 and 2023, and the Statements of Income, Statements of Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for each of the three (3) years in the period ended December 31, 2024, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information, Independent Auditor's Report and the Statement of Management's Responsibility are filed as part of this SEC 17-A report for the year ended December 31, 2024 and attached under Exhibit I.

Item 8. Information on Independent Accountant and Changes in/Disagreements with Accountants on Accounting/Financial Disclosure

A. Independent Public Accountants

SyCip Gorres Velayo & Co., CPAs (SGV) is the external auditor of the Bank and its domestic subsidiaries for the calendar year 2024. Representatives of SGV will be present at the stockholders' meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions. Mr. Ray Francis C. Balagtas, one of the more experienced audit partners in the banking industry in the Philippines, was the lead audit partner for the year 2024.

The BACC has primary authority to select, evaluate, appoint, dismiss, replace and reappoint the Bank's external auditors, subject to the approval of the BOD and ratification of stockholders, based on fair and transparent criteria such as (i) core values, culture and high regard for excellence

in audit quality; (ii) technical competence and expertise of audit staff; (iii) independence; (iv) effectiveness of the audit process; and (v) reliability and relevance of the external auditor's reports.

After careful evaluation, Management has decided to recommend SGV for reappointment as external auditor of the Bank and its domestic subsidiaries for the year 2025. The BACC has thereafter endorsed the reappointment of SGV to the BOD. The reappointment of SGV as external auditor of the Bank was approved by the BOD on February 28, 2025 and will be presented for ratification by the stockholders at the Bank's Annual Stockholders' Meeting to be held on April 29, 2025.

B. Audit and Other Related Fees

- The following are the engagement fees billed and paid for each of the last two fiscal years for the professional services rendered by the Bank's external auditor, SyCip Gorres Velayo and Co. (exclusive of out-of-pocket expenses and value-added tax):

	Professional fees (in ₱ thousands)	
Nature of Service	2024	2023
Total Audit Fees	₱38,093	₱39,788
Non-audit services fees		
Other assurance services	10,253	2,791
Tax-Related Services	2,328	2,809
All Other Services	2,909	717
Total Non-audit Fees	15,490	6,317
Total Audit and Non-audit Fees	₱53,583	₱46,105

Information related to Audit and Other Related Fees is shown under Exhibit IV of the Supplementary Schedules Required by SRC Rule 68 (Supplementary Schedule of External Auditor Fee-Related).

The approval of audit engagement fees is based on the Bank's existing Manual of Signing Authority. All engagements of the external auditor and the corresponding engagement fees are subject to approval by the BOD, as endorsed by the BACC.

C. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the amendments and improvements to Philippine Financial Reporting Standards (PFRS) Accounting Standards which are effective beginning on or after January 1, 2024. The changes in the accounting policies that have or did not have any significant impact on the financial position or performance of the Group are discussed under Note 2 (Summary of Material Accounting Policies) of the audited financial statements of the Group.

D. Disagreements with Accountants

The Bank and its subsidiaries had no disagreement with its auditors on any matter of accounting principles or practices, financial statements disclosure, or auditing scope procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

A. Board of Directors and Executive Officers as of December 31, 2024

1. Board of Directors

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date last Elected</u>	<u>Date first Elected</u>	<u>Citizenship</u>
Edgar A. Cua	Chairman/Independent Director Chairman of the Corporate Governance and Sustainability Committee Vice Chairman of the Board Strategy and Policy Committee Member of the Board Oversight RPT Committee, Board Audit and Compliance Committee, Risk Oversight Committee, and Board Overseas Offices Oversight Committee Non-Voting Member of the Executive Committee	69	04/30/2024	05/31/2016	Filipino
Lucio C. Tan III	Vice Chairman/Director Vice Chairman of the Executive Committee and Board IT Governance Committee Member of the Board Strategy and Policy Committee	32	04/30/2024	04/27/2021	Filipino
Felix Enrico R. Alfiler	Director Chairman of the Board Strategy and Policy Committee and Board Overseas Offices Oversight Committee Member of the Executive Committee, Board IT Governance Committee, Risk Oversight Committee, and Trust Committee	75	04/30/2024	12/29/2022	Filipino
Florido P. Casuela	Director/President Chairman of the Executive Committee Member of the Board Strategy and Policy Committee and Board IT Governance Committee Member (Ex-Officio) of the Trust Committee	83	04/30/2024	05/30/2006	Filipino
Chester Y. Luy	Director Member of the Executive Committee, Board Strategy and Policy Committee, Board Audit and Compliance Committee, Board IT Governance Committee, and Risk Oversight Committee	55	04/30/2024	09/22/2023	Filipino

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date last Elected</u>	<u>Date first Elected</u>	<u>Citizenship</u>
Estelito P. Mendoza (+)	Director	94	04/30/2024	01/01/2009	Filipino
Geocel D. Olanday	Independent Director Chairman of the Board Audit and Compliance Committee Vice Chairman of the Corporate Governance and Sustainability Committee Member of the Board Strategy and Policy Committee and Risk Oversight Committee	69	10/11/2024	10/11/2024	Filipino
Isabelita M. Papa	Independent Director Chairman of the Board IT Governance Committee Vice Chairman of the Board Audit and Compliance Committee and Risk Oversight Committee Member of the Board Strategy and Policy Committee, Corporate Governance and Sustainability Committee, and Board Overseas Offices Oversight Committee	76	04/30/2024	08/05/2021	Filipino
Sheila T. Pascual	Director Chairman of the Trust Committee Member of the Executive Committee and Board Strategy and Policy Committee	62	04/30/2024	11/22/2019	Filipino
Wilfrido E. Sanchez	Director Vice Chairman of the Trust Committee Member of the Executive Committee, Board Strategy and Policy Committee, and Risk Oversight Committee	87	04/30/2024	04/27/2021	Filipino
Eusebio V. Tan	Director Member of the Executive Committee, Board Strategy and Policy Committee, Board Oversight RPT Committee, Board Audit and Compliance Committee, and Board IT Governance Committee	73	04/30/2024	09/22/2023	Filipino
Michael G. Tan	Director Member of the Executive Committee, Board Strategy and Policy Committee, and Board Audit and Compliance Committee	58	04/30/2024	02/09/2013	Filipino
Vivienne K. Tan	Director Member of the Executive Committee, Board Strategy and Policy Committee, Board IT Governance Committee, Risk Oversight Committee, and Trust Committee	56	04/30/2024	12/15/2017	Filipino

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date last Elected</u>	<u>Date first Elected</u>	<u>Citizenship</u>
Maria Almasara Cyd N. Tuaño-Amador	Independent Director Chairman of the Risk Oversight Committee Vice Chairman of the Board Oversight RPT Committee and Board Overseas Offices Oversight Committee Member of the Board Strategy and Policy Committee, Corporate Governance and Sustainability Committee, and Board Audit and Compliance Committee Non-Voting Member of the Executive Committee	68	04/30/2024	04/25/2023	Filipino
Domingo H. Yap	Independent Director Chairman of the Board Oversight RPT Committee Member of the Corporate Governance and Sustainability Committee, Board Audit and Compliance Committee, Board IT Governance Committee, and Risk Oversight Committee	90	04/30/2024	08/23/2019	Filipino

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date Appointed</u>	<u>Citizenship</u>
Ruth Pamela E. Tanghal	Corporate Secretary	56	09/25/2020	Filipino
Michelle A. Pahati-Manuel	Assistant Corporate Secretary	52	09/25/2020	Filipino
Leonilo G. Coronel	Board Advisor	78	04/30/2024	Filipino
William T. Lim	Board Advisor	84	01/25/2013	Filipino
Federico C. Pascual	Board Advisor	82	04/25/2023	Filipino
Lourdes A. Salazar	Board Advisor	69	04/25/2023	Filipino
Carmen K. Tan	Board Advisor	83	09/22/2023	Filipino
Florencia G. Tarriela	Board Advisor	77	04/27/2021	Filipino

2. Executive Officers:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Date of Assumption</u>	<u>Citizenship</u>
Florido P. Casuela	President	83	04/25/2023	Filipino
Francis B. Albalate	Executive Vice President Chief Financial Officer and Head of the Financial Management, Strategy and Sustainability Sector	54	09/18/2023	Filipino

Roberto D. Baltazar	Executive Vice President Head of the Global Banking and Markets Sector	60	08/01/2019	Filipino
Jose German M. Licup	Executive Vice President Head of the Enterprise Services Sector	59	04/26/2024	Filipino
Manuel C. Bahena, Jr.	First Senior Vice President Chief Legal Counsel and Head of the Legal Group	63	02/11/2013	Filipino
Reynaldo C. Burgos	First Senior Vice President Head of the Operations Group	56	06/02/2022	Filipino
Carlo S. Dimaala	First Senior Vice President Head of the Retail Banking Sector	57	05/16/2024	Filipino
Celeste Marie V. Lim	First Senior Vice President Head of the Consumer Finance Sector	48	10/27/2023	Filipino
Maria Paz D. Lim	First Senior Vice President Corporate Treasurer and Head of the Corporate Expense Management Group	63	06/23/2006	Filipino
Michael M. Morillos	First Senior Vice President Head of the Information Technology Group	56	05/01/2019	Filipino
Roland V. Oscuro	First Senior Vice President Chief Information Security Officer and Data Protection Officer	61	12/15/2017	Filipino
Nanette O. Vergara	First Senior Vice President Chief Credit Officer and Head of the Credit Management Group	64	05/11/2017	Filipino
Lotus R. Altavas	Senior Vice President Head of the Human Resource Group	50	12/01/2024	Filipino
Emeline C. Centeno	Senior Vice President Investor Relations Officer and Head of the Corporate Planning and Analysis Division	66	06/01/2003	Filipino
Joy Jasmin R. Santos	Senior Vice President Chief Trust Officer and Head of the Trust Banking Group	51	11/02/2018	Filipino
Juliet S. Dytoc	First Vice President Chief Risk Officer and Head of the Enterprise Risk Management Group	54	03/01/2023	Filipino
Analisa I. San Pedro	First Vice President Chief Audit Executive and Head of the Internal Audit Group	47	08/01/2022	Filipino

B. Profile of Directors and Executive Officers as of December 31, 2024 together with their business experience covering at least the past five (5) years

Directors:

Name	EDGAR A. CUA
Age	69
Nationality	Filipino
Education	* Bachelor of Arts in Economics degree (Honors Program) from the Ateneo de Manila University * Master of Arts in Economics degree from the University of Southern California * Master of Planning Urban and Regional Environment degree from the University of Southern California * Advanced Chinese from the Beijing Language and Culture University * Sustainable Development Training Program, Cambridge University
Current Position in the Bank	* Chairman/Independent Director
Date of First Appointment	* May 31, 2016 (Independent Director) * April 25, 2023 (Chairman of the Board)
Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman/Independent Director of Allied Integrated Holdings, Inc. (<i>formerly PNB Savings Bank</i>) * Vice Chairman/Independent Director of PNB Capital and Investment Corporation * Independent Director of PNB-Mizuho Leasing and Finance Corp., PNB-Mizuho Equipment Rentals Corporation, PNB International Investments Corporation, and PNB Remittance Company (Canada) * Director of Davao Unicar Corporation * Advisor of Peking University Alumni Association of the Philippines, Inc.
Previous Positions	* Independent Director of Allied Commercial Bank, Xiamen * Vice Chairman/Director of PNB Savings Bank * Held various managerial and staff positions at the Asian Development Bank (ADB) during a 30-year professional career. * Retired in 2015 as Senior Advisor, East Asia Department of the Asian Development Bank (ADB), based in ADB's Resident Mission in Beijing, People's Republic of China (PRC). Other managerial positions in ADB included Deputy Director General, East Asia Department, Country Director, ADB Resident Mission in Indonesia and Deputy Country Director, ADB Resident Mission in PRC. * Staff Consultant, SGV & Co.

Name	LUCIO C. TAN III
Age	32
Nationality	Filipino
Education	* Bachelor of Science in Electrical Engineering, Stanford University * Master of Science, Major in Computer Science, Stanford University
Current Position in the Bank	* Director
Date of First Appointment	* April 27, 2021 (Director) * April 30, 2024 (Vice Chairman)
Directorship in Other Listed Companies	* President and Chief Operating Officer of LT Group, Inc. * President and Chief Operating Officer of PAL Holdings, Inc. * Director of MacroAsia Corporation
Other Current Positions	* Director of PNB Holdings Corporation, Philippine Airlines, Inc., Air Philippines Corporation, Lufthansa Technik Philippines, MacroAsia Airport Services Corporation, MacroAsia Catering Services Inc., MacroAsia SATS Food Industries, MacroAsia SATS Inflight Services Corporation, Prior Holdings Corporation, Belton Communities, Inc., Eton City, Inc., First Homes, Inc., ALI Eton Property Development Corporation, Dominion Realty and Construction Corporation, Fortune Tobacco Corporation, REM Development Corp., Shareholdings, Inc., Sipalay Trading Corporation, Qualisure Holdings, Inc., Asia's Merging Dragon Corporation, PMFTC, Inc., and Fortune Landequities and Resources, Inc. * Director and President of Dunman Holdings Corporation, Tanduay Brands International, Inc., and Sabre Travel Network (Philippines) Inc. * Director and President of Tanduay Distillers, Inc. * Director of Dunmore Development Corporation * Member of Stanford Tau Beta Pi Engineering Honor Society
Other Previous Position/s	* Vice Chairman/Director/COO of LT Group, Inc. * Director of Victorias Milling Company, Inc., Allied Club, Inc., Asia Cancer Center, Inc., Kaizer Chemical Industries, Inc., and Silangan Holdings, Incorporated * Director/Vice President of PAL Holdings, Inc. * President and COO of Tanduay Distillers, Inc.
Awards/Citations	* Stanford University Frederick E. Terman Award (2015), award given to engineering seniors who are at the top 5% of their class * Stanford University Tau Beta Pi Engineering Honor Society (2013), honor given to engineering juniors/seniors who are at the top 1/8 of their class * Stanford University President's Award for Academic Excellence Freshmen Year (2012), award given to freshmen who are at the top 3% of their class * Young Presidents' Organization (Local and International Chapters)

Name	FELIX ENRICO R. ALFILER
Age	75
Nationality	Filipino
Education	* Bachelor of Science and Masters in Statistics from the University of the Philippines
Current Position in the Bank	* Director
Date of First Appointment	* January 1, 2012 (as Independent Director)
	* April 27, 2021 (as Board Advisor)
	* December 29, 2022 (as Director)
Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman/Director of PNBRCI Holding Co., Ltd., PNB International Investments Corporation and PNB Capital and Investment Corporation
	* Director of PNB Remittance Company (Canada)
Other Previous Positions	* Chairman/Independent Director of PNB General Insurers Co., Inc., PNB Forex, Inc., PNB Global Remittance and Financial Co., HK, Ltd., PNB Remittance Center, Inc., PNB RCI Holding Company, Ltd., and Summit General Insurance Corporation
	* Independent Director of Philippine National Bank, PNB Global Remittance and Financial Co., HK, Ltd., PNB Forex, Inc., PNB Holdings Corporation, PNB International Investments Corporation, PNB Remittance Company Canada, Japan-PNB Equipment Rentals, PNB-IBJL Leasing and Finance Corporation and PNB Savings Bank
	* Senior Advisor to the World Bank Group Executive Board in Washington, D.C.
	* Special Assistant to the Philippine Secretary of Finance for International Operations and Privatization
	* Director of the BSP
	* Assistant to the Governor of the Central Bank of the Philippines
	* Advisor to the Executive Director at the International Monetary Fund
	* Associate Director at the Central Bank
	* Head of the Technical Group of the CB Open Market Committee
	* Monetary Policy Expert in the Economics Sub-Committee of the 1985-1986 Philippine Debt Negotiating Team which negotiated with over 400 private international creditors for the rescheduling of the Philippines' medium- and long-term foreign debts
	* Advisor at Lazaro Bernardo Tiu and Associates, Inc.
	* President of Pilgrims (Asia Pacific) Advisors, Ltd.
	* President of the Cement Manufacturers Association of the Philippines (CeMAP)
	* Board Member of the Federation of Philippine Industries (FPI)
	* Vice President of the Philippine Product Safety and Quality Foundation, Inc.
	* Convenor for Fair Trade Alliance.

Name	FLORIDO P. CASUELA
Age	83
Nationality	Filipino
Education	* Bachelor of Science in Business Administration, Major in Accounting from the University of the Philippines * Masters in Business Administration from the University of the Philippines * Advanced Management Program for Overseas Bankers from the Philadelphia National Bank in conjunction with Wharton School of the University of Pennsylvania * Study Tour (Micro Finance Program and Cooperatives), under the Auspices of the United States Agency for International Development
Government Civil Service Eligibilities	* Certified Public Accountant, Economist, Commercial Attaché
Current Position in the Bank	* Director/President
Date of First Appointment	* May 30, 2006 (as Director) * July 5, 2022 (as Acting President) * April 25, 2023 (President)
Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman of PNB Securities, Inc. * Director of PNB International Investments Corporation * Director of PNB RCI Holding Co., Ltd. * Director of PNB Remittance Company (Canada) * Director of Allianz PNB Life Insurance, Inc. * Director of BancNet, Inc. * Board Member of Fertilizer and Pesticide Authority (<i>Note: Being represented in the FPA Board by FVP Jonathan Uy</i>)
Other Previous Positions	* Director and President of Genbancor Condominium Corporation * President and Vice Chairman of Land Bank of the Philippines * President and Vice Chairman of PNB Republic Bank (<i>now Maybank Philippines, Inc.</i>) * President of Surigao Micro Credit Corporation * Vice Chairman of PNB Savings Bank (<i>now Allied Integrated Holdings, Inc.</i>) * Chairman of Casuela Equity Ventures, Inc. * Director of Surigao Micro Credit Corporation * Director of PNB Life Insurance, Inc. * Director of Manila Electric Corporation * Director of Asean Finance Corporation Ltd. (Singapore) * Trustee of Land Bank of the Philippines Countryside Development Foundation, Inc. * Senior Adviser of the Bank of Makati (a Savings Bank), Inc. * Senior Adviser in the Bangko Sentral ng Pilipinas * Senior Executive Vice President of United Overseas Bank (Westmont Bank) * Executive Vice President of PDCP (Producers Bank) * Senior Vice President of Philippine National Bank * Special Assistant to the Chairman of the National Power Corporation

Awards/Citations	* First Vice President of Bank of Commerce * Vice President of Metropolitan Bank & Trust Co. * Staff Officer, BSP * Audit Staff of Joaquin Cunanan, CPAs (Isla Lipana & Co.) * One of the ten (10) awardees of the 2001 Distinguished Alumni Award of the UP College of Business Administration * Most Outstanding Surigaonon in the field of Banking and Finance, awarded by the Rotary Club – Surigao Chapter
Name	CHESTER Y. LUY
Age	55
Nationality	Filipino
Education	* Bachelor of Science in Business Administration (Magna Cum Laude and graduated at the Top of B.S. Business Administration Class of 1990), University of the Philippines * Masters in Management degree from the J.L. Kellogg Graduate School of Management at Northwestern University * Chartered Financial Analyst (CFA)
Current Position in the Bank	* Director
Date of First Appointment	* May 11, 2020 (Board Advisor) * September 22, 2023 (Director)
Directorship in Other Listed Companies	* Board Advisor of LT Group, Inc.
Other Current Positions	* Director of Tanduay Distillers, Inc. * Director of Philippine National Bank (Europe) PLC. * Director of PNB Global Remittance and Financial Company (HK) Limited * Board Advisor of Eton Properties Philippines, Inc.
Other Previous Positions	* Board Advisor of Philippine National Bank * Director of PNB-Mizuho Leasing and Finance Corporation * EVP and Head of Strategy Sector and Wealth Management Group * Senior Executive Vice President, Treasurer and Head for the Financial Advisory and Markets Group (comprised of the Treasury and the Wealth Management Group) of Rizal Commercial Banking Corporation * He served in senior leadership roles as Managing Director across a variety of businesses including Investment Banking, Corporate Finance, Credit Risk Analysis, Investment Management, and Wealth Management with several international banks and was based in New York, Singapore and Manila. * He held senior leadership roles at JPMorgan, Bank of America Merrill Lynch, Barclays Capital, HSBC, Julius Baer, Bank of Singapore and RCBC * Member of the Singapore Institute of Directors * Served on the Board of a Singapore-based Real Estate and Hospitality Entity
Awards/Citation	* Men Who Matter Award (2017) by People Asia Magazine Survey

- * Top Senior Analyst in the U.S by Institutional Investor Magazine Polls for several years
- * Awarded as the Most Outstanding Business Administration Student for the Class of 1990 of University of the Philippines
- * Graduated at the Top of his Class, garnering the highest GPA for the graduating University of the Philippines' B.S. Business Administration Class of 1990.

Name	ESTELITO P. MENDOZA (+)
Age	94
Nationality	Filipino
Education	* Bachelor of Laws (cum laude) from the University of the Philippines * Master of Laws from Harvard University
Current Position in the Bank	* Director
Date of First Appointment	* January 1, 2009
Directorship in Other Listed Companies	* Director of San Miguel Corporation and Petron Corporation
Other Current Positions	* Practicing lawyer for more than sixty (60) years
Other Previous Positions	* Chairman of Prestige Travel, Inc. * Director of EastWest Bank, PNB Remittance Center Ltd., PNB Global Remittance & Financial Co., (HK) Ltd., PNB Remittance Company Canada, Meralco, PNB General Insurers, and Philippine Airlines, Inc. * Professorial Lecturer of law at the University of the Philippines * Undersecretary of Justice, Solicitor General and Minister of Justice * Member of the Batasang Pambansa and Provincial Governor of Pampanga * Chairman of the Sixth (Legal) Committee, 31st Session of the UN General Assembly and the Special Committee on the Charter of the United Nations and the Strengthening of the Role of the Organization.
Awards/Citations	* Doctor of Laws degree (honoris causa) by Central Colleges of the Philippines, Hanyang University (Seoul, Korea), University of Manila, Angeles University Foundation and the University of the East * Doctor of Humane Letters degree by the Misamis University * Recipient of a Presidential Medal of Merit as Special Counsel on Marine and Ocean Concerns * University of the Philippines Alumni Association's 1975 "Professional Award in Law" and 2013 "Lifetime Distinguished Achievement Award"

Name	GEOCEL D. OLANDAY
Age	69
Nationality	Filipino
Education	* Bachelor of Science in Business Administration and Accountancy from the University of the Philippines * Master of Business Administration from the University of the Philippines * Certified Public Accountant
Current Position in the Bank	* Independent Director
Date of First Appointment	* October 11, 2024
Directorship in Other Listed Companies	* Lead Independent Director of SBS Philippines Corporation
Other Current Positions	* CEO & Chief Advisor of Amaris Global Advisory Services (HK), Ltd. * Teaching Fellow at the Institute of Corporate Directors
Other Previous Positions	* Trustee of South Metro Manila iHome Foundation, Inc. * President of Eternal Bright Sanctuary, Inc. * Advisor of MGS Construction Incorporated * Non-Executive Director of Star 8 Green Technology Corporation, Philippines and Mindoro Resources Ltd. * Chief Operating Officer of Moldex Realty, Inc., Habitat for Humanity Philippines Foundation, Household Development Corporation, Southwell Waterworks Corporation, Brittany Corporation, Capitol Development Bank Securities, Inc., and Brown Bull Properties, Inc. * Part-time Professor Level 5 of De La Salle – College of Saint Benilde * Senior Vice President of Greenfield Development Corporation * Country General Manager of Baxter Healthcare Philippines, Inc. * President of Golden MV Holdings, Inc., Manuela Corporation, and Citicorp Scrimgeour Vickers Ph * Vice President of Citibank NA, Manila Branch * Marketing Manager of Unilever Philippines, Inc. * Vice President for Marketing of Security Bank Corporation – Diners Club International Corporation * Assistant Vice President of Security Bank Corporation * Part-time Manager of Plastimer Industrial Corporation * Senior Product Manager of Unilever Philippines, Inc.

Name	ISABELITA M. PAPA
Age	76
Nationality	Filipino
Education	* Bachelor of Science in Commerce – Banking & Finance from the University of Sto. Tomas
Current Position in the Bank	* Independent Director
Date of First Appointment	* August 5, 2021
Directorship in Other Listed Companies	* None
Other Current Positions	* Independent Director of PNB-Mizuho Leasing and Finance Corporation, PNB-Mizuho Equipment Rentals Corporation, PNB Capital and Investment Corporation, PNB Remittance Centers, Inc., and PNB Remittance Company (Canada) * Sole Proprietor of Isabelita Transport * Consultant of Bankers Association of the Philippines * Co-Chairperson for the Task Force of the ISO 20022 Migration Project * Resource Person for Corporate Governance of the Bankers Institute of the Philippines
Previous Positions	* Executive Vice President for Operations and Information Technology – Asia United Bank * Director: Rural Bank of Angeles and Cavite United Rural Bank * Senior Vice President/Country Manager – Bank of America N.A. * Executive Vice President for Operations – United Overseas Bank Phils. * Senior Vice President for Operations: Solidbank Corporation and The International Corporate Bank * Assistant Vice President for International Division – Family Bank & Trust Co. * Unit Head/Account Officer – Citibank N.A. * Chairperson – SWIFT Users Group, Philippines * Chairperson, Subcommittee on Payments and Funds Transfer – Bankers Association of the Philippines * President / Resource Person for Corporate Governance – Bankers Institute of the Philippines * Member – Catholic Mass Media Awards Committee

Name	SHEILA T. PASCUAL
Age	62
Nationality	Filipino
Education	* Bachelor of Science in Business Management from the Ateneo de Manila University
Current Position in the Bank	* Director
Date of First Appointment	* November 22, 2019
Directorship in Other Listed Companies	* Director of PAL Holdings, Inc.
Other Current Positions	* Director of Allied Commercial Bank, Xiamen, Buona Sorte Holdings Inc., Saturn Holdings, Inc., Tangent Holdings Corporation, Trustmark Holdings Corporation, Philippine Airlines, Inc. and Zuma Holdings and Management Corporation * Business Development Manager of Allied Banking Corporation (Hong Kong) Limited
Other Previous Position/s	* Marketing Development Officer of Asia Brewery Incorporated

Name	WILFRIDO E. SANCHEZ
Age	87
Nationality	Filipino
Education	* Bachelor of Arts degree from the Ateneo de Manila University * Bachelor of Laws from the Ateneo De Manila University * Masters of Law from Yale Law School
Current Position in the Bank	* Independent Director
Date of First Appointment	* April 27, 2021 (Independent Director) * April 30, 2024 (Director)
Directorship in Other Listed Companies	* Independent Director of LT Group, Inc.
Other Current Positions	* Tax Counsel of Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Offices * Independent Director of Asia Brewery, Inc., and Tanduay Distillers, Inc. * Director of Eton Properties Philippines, Inc., Kawasaki Motor Corporation, EMCOR, Inc., K-Servico, Inc., J-DEL Investments and Management Corp., WODEL, Inc., KS Prime Financial Corp., and Trimotors Technology Corp. * Trustee of JVR Foundation, Inc.,
Other Previous Position/s	* Independent Director Philippine National Bank and Eton Properties Philippines, Inc. * Director of EEI Corporation and House of Investments, Inc. * Vice Chairman/Director of Antonelli Realty Holdings, Inc. * Trustee of NYK-TDG Friendship Foundation, Inc., Asian Institute of Management, and Gokongwei Brothers Foundation * Independent Director of Transnational Diversified Corp. * Director of Universal Robina Corp., Transnational Plans, Inc., Center for Leadership & Change, Inc., Adventure International Tours, Inc., Transnational Financial Services, Inc., Amon Trading Corp., Rizal Commercial Banking Corporation, Asiabest Group International Inc., Magellan Capital Holdings Corporation, and Joint Research and Development Corporation

Name	EUSEBIO V. TAN
Age	73
Nationality	Filipino
Education	* Bachelor of Arts, Major in Economics – <i>Summa Cum Laude</i> (Liberal Arts Accelerated Honors Program) from De La Salle University * Bachelor of Laws from Ateneo De Manila University * Master of Laws, from Columbia Law School, Columbia University New York
Current Position in the Bank	* Director
Date of First Appointment	* September 22, 2023
Directorship in Other Listed Companies	* None
Other Current Positions	* Of Counsel of Angara Abello Concepcio Regalla & Cruz Law Offices (ACCRALAW) * Director of PNB Holdings Corporation
Other Previous Positions	* Various positions in ACCRALAW * Member of Board of Directors of Meritas Law Firms Worldwide * Director/Treasurer of the Integrated Bar of the Philippines – Pasay, Makati, Mandaluyong, San Juan Chapter * President/Vice President/Ex-Officio Director of Integrated Bar of the Philippines – Makati Chapter * Member of Integrated Bar of the Philippines – National Committee on Legal Aid * Member of the Board of Governors/President of Management Association of the Philippines * Member of the Board of Directors/President of Financial Executives Institute of the Philippines * Chairman/Board of Trustees of Philippines-Japan Economic Cooperation Committee, Inc. * Member of Philippine Host Committee of Inter-Pacific Bar Association – Conference in Manila, Philippines * Member of Philippine Host Committee of Lawasia – XVTH Conference in Manila, Philippines * President of Rotary Club of Manila (The First Rotary Club in Asia)
Awards/Citations	* Conferred with the award of “The Order of the Rising Sun with Neck Ribbon” by the Emperor of Japan and the Japanese government * General Excellence Gold Medal and Dr. Jose Rizal Honors Society Ring Awardee conferred by the De La Salle University * Second Honors Silver Medal Awardee conferred by the Ateneo de Manila University

Name	MICHAEL G. TAN
Age	58
Nationality	Filipino
Education	* Bachelor of Applied Science in Civil Engineering, Major in Structural Engineering, from the University of British Columbia, Canada
Current Position in the Bank	* Director
Date of First Appointment	* February 9, 2013
Directorship in Other Listed Companies	* Director of LT Group, Inc., Victorias Milling Company, Inc. and MacroAsia Corporation
Other Current Positions	* Director, President and Chief Operating Officer of Asia Brewery, Inc. * Director of the following companies: Absolut Distillers, Inc., Tanduay Distillers, Inc., Tanduay Brands International, Inc., Shareholdings, Inc., PMFTC Inc., Maranaw Hotel (Century Park Hotel), Pan Asia Securities, Inc., Asia's Emerging Dragon Corporation, Paramount Land Equities, Inc., Saturn Holdings, Inc., Tangent Holdings Corporation, PNB Global Remittance and Financial Company (HK) Limited, Allied Banking Corp. (Hong Kong) Limited, Foremost Farms, Inc., Trustmark Holdings Corporation, and Havitas Developments Corporation * Director/Treasurer of Zuma Holdings and Management Corporation * Trustee of Help Educate and Rear Orphans (HERO) Foundation, Inc. * Member of ASEAN Business Advisory Council (ASEAN BAC) * Director/Vice President of Federation of Filipino Chinese Chambers of Commerce and Industry, Inc. (FFCCCII) * Director for Transport and Vice President for Industry of Philippine Chamber of Commerce and Industry * Member of the Private Sector Advisory Council
Other Previous Positions	* Chairman of PNB Holdings Corporation * Director/President/Chief Operating Officer of LT Group, Inc. * Director of Philippine Airlines Inc. Bulawan Mining Corporation, PNB Management and Development Corporation, Alliedbankers Insurance Corporation, PNB Forex, Inc., PNB Savings Bank, Air Philippines Corp., Lucky Travel Corporation, Eton Properties Philippines, Inc., ALI-Eton Development Corporation, Sabre Travel Network (Philippines), Inc., and Allied Commercial Bank, Xiamen * Director and Treasurer of PAL Holdings, Inc. * Trustee of Philippine Airlines Foundation, Inc. * Director of Allied Banking Corporation (ABC) from January 30, 2008 until the ABC's merger with PNB on February 9, 2013 * Honorary Advisor of the sixth edition of the Belt and Road Summit held on September 2021 in Hong Kong
Awards/Citations	* 2021 Stargate People Asia "People of the Year" * 2021 4th Mansmith Masters Awards

Name	VIVIENNE K. TAN
Age	56
Nationality	Filipino
Education	* Bachelor of Science - Double Degree in Mathematics and Computer Science from the University of San Francisco, U.S.A * Diploma in Fashion Design and Manufacturing Management from the Fashion Institute of Design and Merchandising, Los Angeles, U.S.A.
Current Position in the Bank	* Director
Date of First Appointment	* December 15, 2017
Directorship in Other Listed Companies	* Director of LT Group, Inc. and MacroAsia Corporation
Other Current Positions	* Director of Eton Properties Philippines, Inc., Philippine Airlines, Inc., and Air Philippines Corporation * Executive Director of Dynamic Holdings Limited * Trustee of University of the East, University of the East Ramon Magsaysay Memorial Medical Center and College of Saint Benilde * Founding Chairperson of the Entrepreneurs School of Asia (ESA) * Founding Trustee of the Philippine Center for Entrepreneurship (Go Negosyo)
Other Previous Positions	* Board Advisor of LT Group, Inc. * Director of PAL Holdings * Director/Executive Vice President/Treasurer/Chief Administrative Officer of Philippine Airlines, Inc. * Executive Vice President, Commercial Group and Manager, Corporate Development, of Philippine Airlines, Inc. * Director of Bulawan Mining Corporation and PNB Management and Development Corporation * Founder and President of Thames International Business School * Owner of Vaju, Inc. (Los Angeles, U.S.A.) * Systems Analyst/Programmer of Fallon Bixby & Cheng Law Office (San Francisco, U.S.A.) * Proponent/Partner of various NGO/social work projects like Gawad Kalinga's GK-Batya sa Bagong Simula, livelihood programs thru Teenpreneur Challenge spearheaded by ESA, Conserve and Protect Foundation's artificial reef project in Calatagan, Batangas, Quezon City, Sikap-Buhay Project's training and mentorship program for micro-entrepreneurs, and as Chairman of Ten Inspirational Entrepreneur Students Award
Awards/Citations	* Recipient of the Ten Outstanding Young Men (TOYM) Award for Business Education and Entrepreneurship (2006), UNESCO Excellence in Education and Social Entrepreneurship Award (2007), Leading Women of the World Award (2007), and "People of the Year", People Asia Award (2008)

Name	MARIA ALMASARA CYD N. TUANO-AMADOR
Age	68
Nationality	Filipino
Education	* Bachelor of Science in Business Economics from the University of Philippines School of Economics (with honors) * Master of Arts in Economics from the University of Philippines School of Economics * Master of Science in Policy Science from the Graduate Institute of Policy Science in Tokyo, Japan * Doctor of Philosophy in Economics from the Australian National University * Leadership Course in Driving Government Performance from Harvard Kennedy of School of Government
Current Position in the Bank	* Independent Director
Date of First Appointment	* April 25, 2023
Directorship in Other Listed Companies	* None
Other Current Positions	* Independent Director of Radiowealth Finance Company Inc., Radiowealth Financial Services Corporation, PNB International Investments Corporation, and PNB Remittance Company (Canada) * Advisor of the Association of BSP Retirees, Inc., and BSP Compassionate Leaders for Animal Welfare
Previous Positions	* Deputy Governor of the Resource Management Sector of the Bangko Sentral ng Pilipinas * Head of the BSP Research Academy * Chairperson of the BSP Provident Fund * Vice-Chairperson of the Philippine International Convention Center (PICC) * Chairperson of the PICC Executive Committee * Director of the Philippine Guarantee Corporation * Director of the Philippine Retirement Authority * Advisory Panel of the ASEAN+3 Macroeconomic Research Office * Assistant Governor of the Monetary Policy Sub-Sector of the Bangko Sentral ng Pilipinas * Managing Director of the Monetary Policy Sub-Sector of the Bangko Sentral ng Pilipinas * Director of the Center for Monetary & Financial Policy of the Bangko Sentral ng Pilipinas * Senior Advisor/Advisor to the Executive Director of the International Monetary Fund, Washington, D.C. * Director of the Department of Economic Research of the Bangko Sentral ng Pilipinas * Held positions in various capacities at the Department of Economic Research of the Bangko Sentral ng Pilipinas

Name	DOMINGO H. YAP
Age	90
Nationality	Filipino
Education	* Bachelor of Science in Business Administration major in Business Management from San Sebastian College Recoletos
Current Position in the Bank	* Independent Director
Date of First Appointment	* August 23, 2019
Directorship in Other Listed Companies	* None
Other Current Positions	* Director and President of H-Chem Industries, Inc., DHY Realty and Development Inc., Colorado Chemical Sales Corporation, Universal Paint & Coating Philippines, Inc., AllianceLand Development Corporation, and Kang Ha Association
Other Previous Positions	* President of the Federation of Filipino-Chinese Chamber of Commerce and Industries, Inc. * Governor of Y's Men Club Philippines * President of Y's Men Club Downtown of Manila * President of Rotary Club of Pasay City

Board Advisors:

Name	LEONILO G. CORONEL
Age	78
Nationality	Filipino
Education	* Bachelor of Arts degree, Major in Economics from the Ateneo de Manila University * Advance Management Program of the University of Hawaii
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 28, 2013 (as Director) * April 27, 2021 (as Vice Chairman) * April 30, 2024 (as Board Advisor)
Directorship in Other Listed Companies	* None
Other Current Positions	* Independent Director of Citicore Fund Managers, Inc. and Citicore Renewable Energy Corp. * Director of Software Ventures International * Director of Toyota Pasong Tamo/Toyota Global City/Toyota Angeles City/M2 Car Accessories
Other Previous Positions	* Vice Chairman of Philippine National Bank * Chairman of PNB-IBJL Leasing and Finance Corporation and PNB-IBJL Equipment Rentals Corporation * Independent Director of Megawide Construction Corporation and DBP-Daiwa Capital Market Philippines, Citicore Real Estate Investment Trust * Executive Director of the Bankers Association of the Philippines and RBB Micro Finance Foundation * Director/Treasurer of Philippine Depository and Trust Corporation * Director of the Philippine Clearing House Corporation, the Philippine Dealing System and the Capital Markets Development Council

	* Managing Director of BAP-Credit Bureau * President of Cebu Bankers Association * Consultant of Land Bank of the Philippines, Arthur Young, USAID, Bankers Association of the Philippines and Economic Development Corporation * Country Corporate Officer of Citibank Sri Lanka * Worked with Citibank, Manila for twenty (20) years, occupying various positions.
Awards/Citations	* Fellow of the Australian Institute of Company Directors in 2002 * Fellow of Institute of Corporate Directors

Name	WILLIAM T. LIM
Age	84
Nationality	Filipino
Education	* Bachelor of Science in Chemistry from Adamson University
Current Position in the Bank	* Board Advisor
Date of First Appointment	* January 25, 2013
Directorship in Other Listed Companies	* None
Other Current Positions	* President of Jas Lordan, Inc. * Director of PNB Securities, Inc., PNB Holdings Corporation, Allied Integrated Holdings, Inc. (<i>formerly PNB Savings Bank</i>), Allied Commercial Bank - Xiamen, and Genbancor Condominium Corporation * Advisor to the Chairman of the Board of Directors of Allianz PNB Life Insurance, Inc.
Other Previous Positions	* Board Advisor of PNB Savings Bank * Director of PNB Life Insurance, Inc., BH Fashion Retailers, Inc., and Concept Clothing, Co., Inc. * Consultant of Allied Banking Corporation * Director of Corporate Apparel, Inc. * Director of Freeman Management and Development Corporation * Worked with Equitable Banking Corporation for 30 years, occupying various positions, including as VP & Head of the Foreign Department

Name	FEDERICO C. PASCUAL
Age	82
Nationality	Filipino
Education	* Bachelor of Arts, Ateneo de Manila University * Bachelor of Laws (Member, Law Honors Society), University of the Philippines * Master of Laws, Columbia University
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 27, 2014 (as Independent Director) * April 27, 2021 (as Chairman of the Board) * April 25, 2023 (Board Advisor)

Directorship in Other Listed Companies	* None
Other Current Positions	* Chairman of PNB-Mizuho Leasing and Finance Corporation and PNB-Mizuho Equipment Rentals Corporation * Independent Director of Allianz PNB Life Insurance, Inc. * President/Director of Tala Properties, Inc. and Woldingham Realty, Inc. * Director of Apo Reef World Resort, Sarco Land Resources Ventures Corporation, SCTEX Development and Franchisers Corporation, and Hermosa Golden Rainbow Corporation * Partner of the University of Nueva Caceres Bataan Branch
Other Previous Positions	* Independent Director of PNB International Investments Corporation * Chairman/Independent Director of PNB General Insurers Co., Inc. and PNB Capital and Investment Corporation * Independent Director of PNB Holdings Corporation and PNB Savings Bank * President and General Manager of Government Service Insurance System * President and CEO of Allied Banking Corporation and PNOC Alternative Fuels Corporation * Various positions with PNB for twenty (20) years, including Acting President, CEO and Vice Chairman * President and Director of Philippine Chamber of Commerce and Industry * Chairman of National Reinsurance Corporation * Co-Chairman of the Industry Development Council of the Department of Trade and Industry * Treasurer of BAP-Credit Guarantee * Director of San Miguel Corporation, Philippine Stock Exchange, Manila Hotel Corporation, Cultural Center of the Philippines, CITEM, Bankers Association of the Philippines, Philippine National Construction Corporation, Allied Cap Resources HK, Oceanic Bank SF, USA, AIDSISA Sugar Mill, PDCP Bank, Equitable PCIB, Bankard, Philippine International Trading Corporation, and Philippine National Oil Corporation * Chairman and President of Alabang Country Club
Name	LOURDES A. SALAZAR
Age	69
Nationality	Filipino
Education	* Bachelor of Science in Commerce – major in Accounting (BSC in Accounting), University of Santo Tomas * Certified Public Accountant * Bachelor of Laws (LLB), University of the East
Current Position in the Bank	* Board Advisor
Date of First Appointment	* April 25, 2023
Directorship in Other Listed Companies	* None

Other Current Positions	* Chief Executive Officer & Director, Allied Banking Corporation (Hong Kong) Limited, a restricted license bank * Board Adviser of Philippine Airlines, Inc. * Trustee, Allied Banking Corporation (Hong Kong) Limited Provided Fund * Director, ACR Nominees Limited * Director & Shareholder, Aposal Realty Corporation * Trustee & Special Projects Adviser, The Hong Kong Bayanihan Trust * Chairman, The DTC Association (The Hong Kong Association of Restricted License Banks and Deposit-taking Companies) * Honorary Member, The Philippine Chamber of Commerce in Hong Kong * Member representing DTCA, The Hong Kong General Chamber of Commerce * Member representing DTCA, The Deposit-taking Companies Advisory Committee, Hong Kong Monetary Authority * Honorary Advisor, The Hongkong Institute of Bankers
Other Previous Positions	* Independent Non-Executive Director, Allied Banking Corporation (Hong Kong) Limited, a restricted license bank * Independent Non-Executive Director, Dynamic Holdings Limited (HK Stock Code 29) * Executive Director, The Philippine Chamber of Commerce in Hong Kong * Member, HK Qualifications Framework Banking Industry Training Advisory Committee
Awards/Citations	* Banaag Award – The Philippine Presidential Citation for Filipino Individuals and Organizations Overseas in recognition of her diligence in initiating and effecting projects to promote the professional and socio-cultural advancement of Filipino entrepreneurs, overseas workers, and other sectors of the Filipino community in Hong Kong

Name	CARMEN K. TAN
Age	83
Nationality	Filipino
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 31, 2016 (Director) * September 22, 2023 (Board Advisor)
Directorship in Other Listed Companies	* Director of LT Group, Inc. MacroAsia Corporation and PAL Holdings, Inc.
Other Current Positions	* Vice Chairman of Philippine Airlines, Inc. * Director: Air Philippines Corporation, Asia Brewery, Inc., Buona Sorte Holdings, Inc., Cosmic Holdings Corporation, The Charter House, Inc., Dominion Realty and Construction Corporation, Eton City, Inc., Foremost Farms, Inc., Fortune Tobacco Corporation, Himmel Industries, Inc., Manufacturing Services & Trade Corp., Progressive Farms, Inc., PMFTC, Inc., Shareholdings Inc., Sipalay Trading Corp., Tanduy Distillers, Inc., Tangent Holdings Corporation, Trustmark Holdings Corp., Alliedbankers Insurance Corporation, Zuma Holdings and Management Corp., Grandspan Development Corp., Basic Holdings Corp., Saturn Holdings, Inc.,

Major Affiliations	Paramount Land Equities, Inc., Interbev Philippines, Inc., Waterich Resources Corp., and REM Development Corp. * Trustee of Tan Yan Kee Foundation * Member of Tzu Chi Foundation
Name	FLORENCIA G. TARRIELA
Age	77
Nationality	Filipino
Education	* Bachelor of Science in Business Administration degree, Major in Economics, University of the Philippines * Master in Economics degree from the University of California, Los Angeles, where she topped the Masters Comprehensive Examination
Current Position in the Bank	* Board Advisor
Date of First Appointment	* May 29, 2001 (as Director) * May 24, 2005 (as Chairman of the Board) * May 30, 2006 (as Independent Director) * April 27, 2021 (as Board Advisor)
Directorship in Other Listed Companies	* Independent Director of LT Group, Inc. * Independent Director of Nickel Asia Corporation
Other Current Positions	* Columnist for “Business Options” of the Manila Bulletin and “FINEX Folio” of Business World * Director/Vice President of Tarriela Management Company and Director/Vice President/Assistant Treasurer of Gozon Development Corporation * Life Sustaining Member of the Bankers Institute of the Philippines * Trustee of Tulay sa Pag-unlad, Inc. (TSPI) Development Corporation, TSPI MBAI * Director of Financial Executive Institute of the Philippines (FINEX) * Trustee of Philippine Bible Society
Other Previous Positions	* Chairman/Independent Director of Philippine National Bank, PNB Capital and Investment Corporation, PNB-Mizuho Leasing and Finance Corporation, and PNB-Mizuho Equipment Rentals Corporation * Director of PNB International Investments Corp. * Director of PNB Capital and Investment Corporation * Director of Eton Properties Philippines Inc. * Independent Director of PNB Life Insurance, Inc. * Director of Bankers Association of the Philippines * Undersecretary of Finance * Alternate Monetary Board Member of the BSP, Land Bank of the Philippines and the Philippine Deposit Insurance Corporation * Deputy Country Head, Managing Partner and first Filipina Vice President of Citibank N. A. * Country Financial Controller of Citibank NA Philippines for 10 years * President, Bank Administration Institute of the Philippines
Awards/Citations	* 2014 Most Outstanding Citibank Philippines Alumni awardee for community involvement * 2018 Go Negosyo Woman Intrapreneur Awardee

Corporate Secretary:

Name	RUTH PAMELA E. TANGHAL
Age	56
Nationality	Filipino
Education	* Bachelor of Science in Mathematics from the Notre Dame University, Cotabato City * Bachelor of Laws / Juris Doctor from the Notre Dame University, Cotabato City
Current Position in the Bank	* Corporate Secretary
Date of First Appointment	* September 25, 2020
Directorship in Other Listed Companies	* None
Other Current Positions	* Corporate Secretary, Allied Integrated Holdings Inc. (Formerly: PNB Savings Bank) * Corporate Secretary, PNB International Investments Corporation (North America) * Corporate Secretary, PNB Remittance Centers, Inc. (North America) * Trustee/Corporate Secretary, PNB Foundation, Inc. * Director, E.C. Tanghal & Co., Inc.
Other Previous Positions	* Corporate Secretary, Genbancor Condominium Corporation * Assistant Corporate Secretary, PNB * Documentation Lawyer, PNB Legal Group

Name	MICHELLE A. PAHATI-MANUEL
Age	52
Nationality	Filipino
Education/Training	* AB Political Science, University of Santo Tomas * Juris Doctor, Saint Louis University * Certified Compliance Officer
Current Position in the Bank	* Assistant Corporate Secretary
Date of First Appointment	* September 25, 2020
Directorship in Other Listed Companies	* None
Other Current Positions	* Corporate Secretary, PNB Securities, Inc. * Corporate Secretary, PNB Remittance Company (Canada) * Trustee, PNB Foundation, Inc.
Other Previous Positions	* Corporate Secretary, PNB Capital and Investments Corporation * Department Head, Litigation Division, PNB Legal Group * Research Lawyer, PNB Legal Group * Investigating Lawyer (for Administrative Cases), PNB Legal Group * Corporate Secretary, Bulawan Mining Corporation * Corporate Secretary, PNB Management and Development Corporation (MADECOR) * Court Attorney, Supreme Court * Court Attorney, Court of Appeals

Executive Officers:

FLORIDO P. CASUELA

(Please refer to pages 60 to 61 of this SEC 17-A Report)

FRANCIS B. ALBALATE, 54, Filipino, holds the position of Executive Vice President and Chief Financial Officer of Philippine National Bank. He is the Vice-Chairman of the ALCO and member of the Senior Management Committee. He also sits as Chairman of the Data Governance Committee. He is a Certified Public Accountant. He is also a Member of the Board of Trustees (Secretary) of the Bankers Institute of the Philippines. Prior to joining PNB, he was Senior Vice President and Financial Controller of Union Bank of the Philippines. He was an Audit Partner at Punongbayan & Araullo from 2003 to 2011. He worked as Head of the Transaction Advisory Services from 2007 to 2009 and Audit Senior Manager from 1999 to 2003. He was a former Financial Services Industry Audit Leader at Deloitte Philippines from 2011 to 2016. He earned a Master's degree in Business Management from the Asian Institute of Management. He graduated with a degree in Bachelor of Science in Commerce, majoring in Accounting, from San Beda College. He attended the Pacific Rim Bankers Program at the University of Washington in 2006.

ROBERTO D. BALTAZAR, 60, Filipino, Executive Vice President, is currently the Head of Global Banking and Markets Sector which includes the Global Markets Group and Wealth Management Group. He is likewise a director of PNB Capital and Investment Corporation. He sits as a voting member of the ALCO, Senior Management Committee, and the Institutional Banking Credit Committee. He is likewise Chairman of the newly revived Customer Experience Committee. Mr. Baltazar brings with him over 30 years of banking experience both in the Financial Markets, Corporate Banking and Investment Banking. He was a relationship manager in Far East Bank, then spent 4 years in Citibank as a foreign exchange trader then moved to HSBC in 1994 as head of FX Trading then eventually became Head of Global Markets, Debt Capital Markets and Securities Services in 2014. He sustained Debt Capital Markets and HSBC Securities Services (HSS) position as the number one Debt Capital Markets and Global Custodianship Business during his tenure. During this time, HSBC was likewise one of the top FX and Bond Trading houses. He was ACI President in 2013. He was an active member of the BAP Open Market Committee, specifically in the Foreign Exchange Subcommittee. He obtained his Bachelor of Arts degree in Economics from the Ateneo de Manila University and Master's in Business Administration Degree from the University of North Carolina at Chapel Hill, USA.

JOSE GERMAN "GERRY" M. LICUP, 59, Filipino, Executive Vice President, is Head of the Enterprise Services Sector. A lawyer, he obtained his Bachelor of Laws/Juris Doctor degree from the University of the Philippines in 1991. He joined PNB in August 2019 as First Senior Vice President and Chief of Staff to the PNB President and Chief Executive Officer, and was subsequently appointed in concurrent capacity as Officer in Charge of PNB Mizuho Leasing & Finance Corporation and of PNB Mizuho Equipment Rentals Corporation, and as Group Head of the International Banking & Remittance Group, prior to his promotion to his current role in April 2024. Prior to joining PNB, he was a Senior Vice President and Country General Counsel of the Hongkong and Shanghai Banking Corporation Limited – Philippine branches. He was previously concurrent Country General Counsel and BSP-approved Chief Compliance Officer of HSBC Philippines from 2001 until the split of the HSBC Legal and Compliance function into two global functions in August 2012. Gerry had short-term work assignments to HSBC offices in Singapore (2002), Chicago (2009) and Sydney (2013). He is a former three-time President of the Association of Bank Lawyers of the Philippines and a Director of the Philippine Clearinghouse Corporation (PCHC) from 2004 to 2011 and from 2018 to 2019, where he chaired the PCHC Arbitration Committee. He was also a Director of the Association of Bank Compliance Officers of the Philippines from 2000 to 2003 and from 2005 to 2012, and was Legal Adviser to the ABCOMP Board from 2012 until 2019. He also served as Chairman of the Bankers' Association Capital Markets Development Subcommittee on Legal Issues from May 2005 until 2007. In addition to his ESS Sector Head role, he remains a Bank of England FCA/PRA-approved SMF7 Director of PNB Europe Plc (UK).

MANUEL C. BAHENA, JR., 63, Filipino, First Senior Vice President, is the Chief Legal Counsel of the Bank. He joined PNB in 2003 and was appointed as Head of Documentation and Research Division of the Legal Group in 2009. He then assumed the position of Chief Legal Counsel in 2014. Before joining PNB, he was the Corporate Secretary and Vice President of the Legal Department of Multinational Investment Bancorporation. He also formerly served as Corporate Secretary and Legal Counsel of various corporations, among which are the Corporate Partnership for Management in Business, Inc.; Orioxy Investment Corporation; Philippine Islands Corporation for Tourism and Development; Cencorp (Trade, Travel and Tours), Inc.; and Central Bancorporation General Merchants, Inc.

REYNALDO C. BURGOS, 56, Filipino. “Rey” is First Senior Vice President and Head of the Operations Group. He spearheads the transformation drive of PNB. Rey is also in-charge of process re-engineering aimed at taking out duplicates and redesigning processes to achieve significant improvements in productivity and efficiency. He is a member of the Bankers Association of the Philippines (BAP) Operations Committee serving for more than 10 years already. At Bancnet, he is a member of the Operations and e-Banking Committees. He is also a director of the Philippine Clearing House Corporation (PCHC) and member of the Executive, Arbitration and Information Technology Committees. Before joining PNB, he was connected with Metrobank from 1990 to 2022 as First Vice President, handling Settlements, Cash, and Clearing Operations. With over 30 years of experience, he was exposed to different areas of operations and was part of various projects such as re-engineering, branch transformation to sales model, process review and streamlining, data driven work and analytics, and automation. He was major contributor of the Cash Service Alliance (CSA) project of the Bangko Sentral ng Pilipinas (BSP) and acted as Technical Working Group Head in the implementation of the Check Image Clearing System (CICS) in the Philippines, under the guidance of the BSP, PCHC, and BAP. He served as President of the Clearing Officers Club, Inc. (COCI) of the Philippines for 11 years. Rey holds a Bachelor of Science degree in Commerce Major in Accountancy from Colegio de San Juan de Letran.

CARLO S. DIMAALA, 57, Filipino, known affectionately as Caloy among his colleagues, is a seasoned professional in the banking industry, currently serving as the First Senior Vice President and Head of the Retail Banking Sector. With over 35 years of extensive experience, he has built a distinguished career that began in 1989 when he joined Far East Bank and Trust Company as a Settling Clerk. After six years, Carlo transitioned to Banco de Oro, taking on the role of Branch Accountant for more than a year. His career then saw a series of progressive moves, starting with BA Savings Bank in October 1996. By May 1997, he had joined Capitol Development Bank, and a year later, he moved to Rizal Commercial Banking Corporation-Savings Bank, where he dedicated nearly five years to his role. In 2004, Mr. Dimaala joined Allied Banking Corporation (ABC) as a Branch Operations Officer. His time at ABC was marked by significant growth and achievement. He gained comprehensive expertise in branch banking operations, climbing the ranks through various pivotal roles including Branch Head, Area Head, and Region Head. His exceptional leadership and performance culminated in his appointment as the Branch Banking Group Head of Visayas and Mindanao in March 2018. Carlo's consistent excellence did not go unnoticed. On May 16, 2024, he was promoted to head the Retail Banking Sector, officially taking on his new responsibilities and the rank of First Senior Vice President (FSVP) on June 1, 2024. Mr. Dimaala's strong academic foundation is built upon a Bachelor of Science in Accountancy from the University of San Jose-Recoletos, Main Campus, complemented by a Master's in Business Administration from the same institution.

CELESTE MARIE V. LIM, 48, Filipino, First Senior Vice President, is the Head of the Consumer Finance Sector. She obtained her Bachelor of Science degree in Business Administration, Major in Accounting and Economics from the College of Mount Saint Vincent in New York USA and her Master's in Business Administration degree from the University of Chicago Booth School of Business in Chicago USA. In PNB, she was a Senior Vice President and Head of Cards and Payments Solutions Group prior to her current role. Before joining PNB, she was First Vice President and the Head of Cards Business Development and Operations Group of Security Bank Corporation from 2016 to 2021. She was also First Vice President and Head of Merchant Acquiring of Metrobank Cards Corporation from 2006 to 2016. She began her Retail Banking and Lending career in HSBC Philippines in 2001 as a Portfolio Risk Manager.

MARIA PAZ D. LIM, 63, Filipino, First Senior Vice President, is the Corporate Treasurer. She is also concurrently the Treasurer of PNB Capital and Investment Corporation and Allied Integrated Holdings, Inc. She obtained her Bachelor of Science degree in Business Administration, Major in Finance and Marketing, from the University of the Philippines, and Master's in Business Administration from the Ateneo de Manila University. She joined PNB on June 23, 1981, rose from the ranks and occupied various officer positions at the Department of Economics & Research, Budget Office and Corporate Disbursing Office prior to her present position.

MICHAEL MORALLOS, 56, Filipino, First Senior Vice President, is the Head of the Information Technology Group of Philippine National Bank and brings with him over thirty-two (32) years of work experience in information technology and banking sectors. He obtained his Bachelor of Arts degree major in Philosophy and Political Science from the University of the Philippines and completed advanced computer studies at the National Computer Institute of the Philippines. His professional journey includes serving as a Senior FIS Systematics Products Consultant, where he underwent comprehensive training programs which include Wharton Senior Executive Program, IBM Project Management, Ateneo Banking Principles, and extensive banking application systems training at the Fidelity Information Services (FIS) Training Center in Little Rock, Arkansas. Before joining PNB, Michael was First Senior Vice President and Head of Technology Platform at Siam Commercial

Bank, the largest Thai bank with over 28 million customer accounts and 1,200 domestic branches. In this role, he introduced significant improvements and innovative changes to the bank's technology support structure, aligning it with the institution's digital roadmap. As Chief Technology Officer of PNB, Michael leads the bank's technology strategy, ensuring the seamless delivery of technology services and key strategic projects using low-code, workflow, cloud, and digital technology platforms across both domestic and overseas branches.

ROLAND V. OSCURO, 61, Filipino, First Senior Vice President, is the Chief Information Security Officer and, in concurrent capacity the Data Protection Officer. He obtained his Bachelor of Science in Electronics and Communication Engineering degree from Mapua Institute of Technology and took up unit in Master in Business Administration for Middle Managers at the Ateneo de Manila Graduate School. He is an Electronic and Communications Engineering Board passer. He is also an ISACA Certified Information Security Manager (CISM). Prior to his present position, Mr. Oscuro was hired as IT Consultant of the Bank on November 2, 2003. In May 2004, he was appointed as the Head of Network Management Division of Information Technology Group with the rank of First Vice President. He was the Operational Support System Group Manager of Multi-Media Telephony, Inc (Broadband Philippines) prior to joining PNB. He was also connected with various corporations such as Ediserve Corp. (Global Sources), Sterling Tobacco Corporation, Zero Datasoft (Al Bassam), Metal Industry Research and Development Center, and Pacific Office Machines, Inc.

NANETTE O. VERGARA, 64, Filipino, First Senior Vice President, is the Chief Credit Officer and Head of Credit Management Group. She obtained her degree in Bachelor of Science in Statistics (Cum Laude) in 1981 from the University of the Philippines in Diliman. She joined PNB in 2006 and was appointed as First Vice President and Head of Credit Management Division. She started her banking career with the Bank of Commerce in 1981. She moved to the Credit Rating Services Department of the Credit Information Bureau in 1983 and went back to banking in 1992 when she joined the Union Bank of the Philippines. She later transferred to Solidbank Corporation in 1993 to head various credit-related units. Prior to joining PNB, she worked with United Overseas Bank from 2000-2006 as VP/Head of Credit Risk Management.

LOTUS R. ALTAVAS, 50, Filipino, Senior Vice President, is the Head of the Human Resource Group. Lotus is a seasoned HR professional with over 20 years of solid experience gained from the banking & financial services industry. Prior to joining PNB, she held the role of an HR Business Partner for BDO Unibank, Inc. covering the Information Technology Group. Before BDO, she was connected with ING Bank for six (6) years as Director/Head of Human Resources in concurrent capacity as HR Business Partner for Asia Retail Markets. She worked for Citi from 2004 to 2016 where she held among others, an HR Generalist role for various business units such as Fraud and Risk Management Group, Local Commercial Bank & Credit Payment Products Group. She left Citi in 2016 as Vice President handling HR for Operations and Technology Group. She is currently a BAP Representative to the Banking Industry Tripartite Council (BITC). Lotus is a Magna Cum Laude graduate from St. Scholastica's College, Manila with degrees in Bachelor of Science in Psychology and Bachelor of Arts in Guidance and Counseling.

EMELINE C. CENTENO, 66, Filipino, Senior Vice President, is the Head of the Corporate Planning and Analysis Division. She obtained her Bachelor of Science degree in Statistics (Dean's Lister) and completed her Master's of Arts in Economics degree (on scholarship) from the University of the Philippines. She joined PNB in 1983, rose from the ranks and held various positions at the Department of Economics and Research, Product Development, Monitoring and Implementation Division, and the Corporate Planning Division before assuming her present position as Head of the merged Corporate Planning and Analysis Division. Ms. Centeno was awarded as one of the Ten Outstanding Employees of the Bank in 1987.

JOY JASMIN R. SANTOS, 51, Filipino. "Jiah" is Senior Vice-President, and the Chief Trust Officer. She was previously Division Head of Corporate Trust from 2013 to 2018 and Business Development Division Head in Trust Banking Group from 2010 to 2012. Prior to joining PNB, she held key managerial positions in Citibank Savings, Inc, Keppel Bank, American Express Bank and BPI. Jiah graduated Cum Laude with a Bachelors of Arts degree, major in Management Economics from the Ateneo de Manila University. She earned her Master's degree in Business Administration from the Australian National University, Canberra, Australia in 2002. In 2015, she completed with distinction, the one-year course on Trust Operations and Investment Management given by the Trust Institute Foundation of the Philippines. She has served as a member of the Board of Directors of the Trust Officers Association of the Philippines (TOAP) from 2021 to 2024 as Vice-President and Director in Charge for Fiduciary Products Development. She is currently part of its Advisory Board.

JULIET S. DYTOC, 54, Filipino. “Juliet” is First Vice President, Chief Risk Officer and Head of the Enterprise Risk Management Group. She joined PNB in 2010 under the Trust Banking Group (TBG) as Trust Risk Division Head. In this capacity, Juliet institutionalized the Trust Risk Management framework that covered a comprehensive range of risk areas including credit, market, operational, strategic, regulatory, liquidity, and reputational risk, among others. In September 2020, Juliet was appointed as head of the Market and ALM Division to manage the Bank’s market, liquidity, and interest rate risk exposures. She was designated as the officer-in-charge of Risk Management Group in February 2022, and was appointed as the Chief Risk Officer in March 2023. She has 30 years of experience in the banking and finance industry in the areas of risk management, account management, and product development. She started as a management trainee joining PCIBank’s Management Development Program and was eventually seconded to PCIB Securities as an Investment Analyst. She took interest in the Trust business and was transferred to Equitable PCI Bank (now BDO Unibank) as a Trust Portfolio Manager. She continued this track in Metrobank as Trust Credit and Risk Officer, the first Trust risk management unit in the banking industry. She briefly handled product management at Standard Chartered Bank where she made available structured products for wealth management clients. At Sterling Bank of Asia, she refocused on risk management as head of its market risk unit. She is fluent in French and in conversational Chinese. Juliet graduated cum laude with a Bachelor of Arts degree in European Languages and obtained her Master’s degree in Business Administration from the University of the Philippines. In 2000 she completed, placing fourth out of 80 participants, a one year course on Trust Operations and Investment Management given by the Trust Institute Foundation of the Philippines (TIFP). She was at some point certified by the Securities and Exchange Commission (SEC) as a Fixed Income Salesman. She is a Chartered Financial Analyst (CFA®) Charterholder and an active member of the CFA Society of the Philippines since 2005.

ANALISA I. SAN PEDRO, 47, Filipino. “Ana” is First Vice President and Chief Audit Executive. Ana joined the Bank in 2002 as Management Specialist and rose from the ranks to the position of First Vice President. She is an active member of the Institute of Internal Auditors (IIA) – Philippines, Association of Certified Anti-Money Laundering Specialists (ACAMS) and Bankers Institute of the Philippines (BAIPHIL). She was designated as the Officer-in-Charge of Internal Audit Group in November 2021. Ana holds a Bachelor of Science degree in Accountancy from the Polytechnic University of the Philippines. She is a Certified Public Accountant (CPA) and a Certified Treasury Professional (CTP).

C. Independent Directors

Among the Board members are five independent directors. They are independent of management and free from any business or other relationship which could materially interfere with the exercise of independent judgment in fulfilling their responsibilities as directors. The Bank has five (5) independent directors representing 33% of the members of the Board, beyond the 20% requirement of the SEC. The appointments of the 5 independent directors composed of the Board Chairman Edgar A. Cua, Isabelita M. Papa, Maria Almasara Cyd N. Tuaño-Amador, Geocel D. Olanday and Domingo H. Yap were approved and confirmed by the appropriate regulatory bodies.

The independent directors act as Chairmen of the Board, Corporate Governance and Sustainability Oversight Committee, Risk Oversight Committee, Board Audit and Compliance Committee and Board Oversight RPT Committee. The independent directors are also members of other board committees such as the Board Strategy and Policy Committee, Board IT Governance Committee, Board Overseas Offices Oversight Committee and Non-Voting Member of the Executive Committee and Trust Committee.

D. Identify Significant Employees

The Bank values all its employees for their contribution to the business. No employee who is not an executive officer is expected to make any significant contribution to the business of the Bank.

E. Family Relationship

- Chairman Emeritus Lucio C. Tan and Board Advisor Carmen K. Tan are spouses.
- Directors Vivienne K. Tan, Sheila T. Pascual, and Michael G. Tan are children of Chairman Emeritus Lucio C. Tan.
- Director Lucio C. Tan III is the grandson of Chairman Emeritus Lucio C. Tan.

F. Involvement in Certain Proceedings

None of the other directors, nominees for directors, or any of the executive officers of the Bank has been, for the last five (5) years:

- i. Involved in any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- ii. Convicted by final judgment in a criminal proceeding, domestic or foreign, or is being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- iii. Subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or
- iv. Found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

G. Brief Description of Any Material Pending Legal Proceedings to which the Registrant or any of its Subsidiaries is a Party

The Bank and some of its subsidiaries are parties to various legal proceedings which arose in the ordinary course of their operations. None of such legal proceedings, either individually or in the aggregate, are expected to have a material adverse effect on the Bank and its subsidiaries or their financial condition.

Item 10. Executive Compensation

A. General

The annual compensation of executive officers consists of a 16-month guaranteed cash emolument. Non-executive directors are entitled to a per diem for each Board or Board committee meeting attended as follows: ₱60,000.00 for each board meeting and ₱30,000.00 for each committee meeting, provided that in no case shall the total per diem exceed ₱420,000.00 per month for committee meetings. No other emoluments are granted to non-executive directors of the Bank except for the aforementioned per diem. The President and CEO, being the only executive director, is not entitled to any per diem as it is deemed incorporated in his compensation. Total per diem given to the Board of Directors and Advisors of the Bank amounted to ₱96.3 million in 2024 from ₱71.3 million in 2023.

B. Summary of Compensation Table

Annual Compensation (In ₱)					
Name and Principal Position	Year	Salary	Bonus	Others (per diem)	Total
Mr. Florido P. Casuela President & CEO	2024				
Most highly compensated executive officers other than the CEO:					
1. Francis B. Albalate Executive Vice President	2024				
2. Cenon C. Audencial, Jr. ^{1/} Executive Vice President					
3. Roberto D. Baltazar Executive Vice President	2024				
4. Isagani A. Cortes ^{2/} Executive Vice President	2024				
5. Jose German M. Licup Executive Vice President	2024				
6. Aida M. Padilla ^{3/} Executive Vice President	2024				
CEO and Most Highly Compensated Executive Officers	Actual 2023	85,013,709	27,863,531	—	112,877,240
	Actual 2024	84,658,061	27,884,646	—	112,542,707
	Projected 2025	93,124,000	30,673,000	—	123,797,000
Directors and Advisors (unnamed)	Actual 2023	—	—	71,340,000	71,340,000
	Actual 2024	—	—	96,330,000	96,330,000
	Projected 2025	—	—	134,862,000	134,862,000
All other officers (unnamed)	Actual 2023	4,064,762,798	1,362,877,707	—	5,427,640,505
	Actual 2024	4,361,446,765	1,450,672,768	—	5,812,119,533
	Projected 2025	4,797,591,000	1,595,740,000	—	6,393,331,000

^{1/} Retirement as of January 31, 2024

^{2/} Resignation as of October 31, 2024

^{3/} Expiration of the fixed-term employment as of April 25, 2024

C. Employment Contracts and Termination of Employment and Change-in-Control Arrangements

All executive officers are covered by the Bank's standard employment contract which guarantees annual compensation on a 16-month schedule of payment. In accordance with Sec. 6.1, Article VI of the Bank's Amended By-Laws, all officers with the rank of Vice President and uphold office and serve at the pleasure of the Board of Directors.

D. Warrants and Options Outstanding: Repricing

No warrants or options on the Bank's shares of stock have been issued or given to the Directors or executive officers as a form of compensation for services rendered.

Item 10A. Remuneration Policy

PNB's remuneration policy manifests the Bank's belief that the quality of its human resource is a key competitive edge in the industry. As such, the Bank maintains remuneration and benefits program that attracts, motivates, and retains talents and develops their potentials. The Bank's remuneration and benefits program aims to 1) ensure compliance with requirements of labor and other regulatory laws; 2) establish competitiveness with peer groups in the industry; and 3) strengthen alignment with and accomplishment of the Bank's business strategies. The following are the features of the Bank's remuneration policy for Directors and Officers:

I. Emolument and Fringe Benefits of the Board of Directors

- Cash Emolument in the form of Per Diem for every Board and Board Committee meeting
- Non-Cash Benefit in the form of Healthcare Plan, Group Life Insurance, and Group Accident Insurance

II. Officers' Compensation and Benefits

1. Monetary Emoluments

- Monthly compensation in the form of monthly basic pay which is reviewed annually and subject to the adjustment thru merit increase effective July 1 based on Officer's performance and achievements
- Bonuses equivalent to four (4) months Basic Salary per year
- Allowances to cover business-related expenses, official travel, social and recreational activities (i.e., Teambuilding activity/Christmas party), and relocation expenses; other monetary allowances that include annual rice subsidy and annual clothing allowance.
- Service Incentive in the form of cash award upon reaching milestones in length of service (i.e., 10th, 15th, 20th, 25th, 30th, 35th and 40th year of service)

2. Non-Cash Benefits

- Healthcare Plan in the form of hospitalization, consultation and other medical benefits for the Officer and two (2) of his/her primary dependents
- Group Life Insurance coverage in amounts based on the Officer's rank
- Group Accident Insurance coverage in amounts based on the Officer's rank
- Leave Privileges in the form of leave with pay benefits for the following purposes: a) vacation; b) sick; c) maternity; d) paternity; e) birthday; f) bereavement; g) solo parent; h) emergency; i) special leave for female employees; j) special leave privilege for victims under the "Anti-Violence Against Women and their Children Act".
- Car Plan in the form of car cost-sharing scheme based on the officer's rank

- Telecommuting work arrangement for eligible officers

3. Fringe Benefits

- Loan Facilities available for the following purposes: a) housing; b) car financing; c) general purpose; d) motorcycle loan; e) computer loan.

4. Retirement Benefits

- Retirement benefits equivalent to applicable monthly pay per year of service for those who attained the required age or minimum length of service under the Plan.

Item 11. Security Ownership

(1) Security Ownership of Certain Record and Beneficial Owners (more than 5% of any class of voting securities as of December 31, 2024)

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
All Seasons Realty Corp. -Makati City- 10,005,866 shares Shareholder	Owned and Controlled by LT Group, Inc.	Filipino	912,811,179	59.8264653298%
Allmark Holdings Corp. -Makati City- 20,724,567 shares Shareholder		Filipino		
Caravan Holdings Corporation -Marikina City- 82,017,184 shares Shareholder		Filipino		
Donfar Management Limited -Makati City- 30,747,898 shares Shareholder		Filipino		
Dunmore Development Corp. (X-496) -Pasig City- 15,140,723 shares Shareholder		Filipino		
Dynaworld Holdings, Inc. -Marikina City- 11,387,569 shares Shareholder		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
Fast Return Enterprises, Ltd. -Makati City- 18,157,183 shares Shareholder		Filipino		
Fil-Care Holdings, Inc. -Quezon City- 25,450,962 shares Shareholder		Filipino		
Fragile Touch Investment Ltd. -Makati City- 22,696,137 shares Shareholder		Filipino		
Ivory Holdings, Inc. -Makati City- 20,761,731 shares Shareholder		Filipino		
Kenrock Holdings Corp. -Makati City- 26,018,279 shares Shareholder		Filipino		
Kentwood Development Corp. -Quezon City- 17,237,017 shares Shareholder		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
Key Landmark Investments, Ltd. - Makati City- 133,277,924 shares Shareholder		Filipino		
La Vida Development Corp. -Quezon City- 19,607,334 shares Shareholder		Filipino		
Leadway Holdings, Inc. -Pasig City- 65,310,444 shares Shareholder		Filipino		
Mavelstone International Limited -Makati City- 29,575,168 shares Shareholder		Filipino		
Merit Holdings & Equities Corp. -Quezon City- 17,385,520 shares Shareholder		Filipino		
Multiple Star Holdings Corp. -Makati City- 30,798,151 shares Shareholder		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
Pioneer Holdings Equities, Inc. -Pasig City- 34,254,212 shares Shareholder		Filipino		
Profound Holdings, Inc. -Makati City- 18,242,251 shares Shareholder		Filipino		
Purple Crystal Holdings, Inc. -Manila City- 24,404,724 shares Shareholder		Filipino		
Safeway Holdings & Equities, Inc. -Quezon City- 12,048,843 shares Shareholder		Filipino		
Society Holdings Corp. -Quezon City- 17,298,825 shares Shareholder		Filipino		
Solar Holdings Corporation -Pasig City- 82,017,184 shares Shareholder		Filipino		
Total Holdings Corporation -Pasig City-		Filipino		

Name & Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Percentage of Ownership
15,995,011 shares Shareholder				
True Success Profits, Limited -Makati City- 82,017,184 shares Shareholder		Filipino		
Uttermost Success, Limited -Makati City- 30,233,288 shares Shareholder		Filipino		

(2) Security Ownership of Management (Individual Directors and Executive Officers as of 31 December 2024)

Name of Beneficial Owner	Amount of Common Shares and Nature of Beneficial Ownership	Citizenship	Percentage of Ownership
Edgar A. Cua Chairman/ Independent Director	100 shares ₱4,000.00 (R)	Filipino	0.0000065541
Lucio C. Tan III Vice Chairman/Director	300 shares ₱12,000.00 (R)	Filipino	0.0000196623
Felix Enrico R. Alfiler Director	5 shares ₱200.00 (R)	Filipino	0.0000003277
Florido P. Casuela Director/President	162 shares ₱6,480.00 (R)	Filipino	0.0000106176
Chester Y. Luy Director	10 shares ₱400.00 (R)	Filipino	0.0000006554

Name of Beneficial Owner	Amount of Common Shares and Nature of Beneficial Ownership	Citizenship	Percentage of Ownership
Estelito P. Mendoza (+) Director	1,150 shares ₱46,000.00 (R)	Filipino	0.0000753720
Geocel D. Olanday Independent Director	1 share ₱40.00 (R)	Filipino	0.0000000655
Isabelita M. Papa Independent Director	1 share ₱40.00 (R)	Filipino	0.0000000655
Sheila T. Pascual Director	110 shares ₱4,400.00 (R)	Filipino	0.0000072095
Wilfrido E. Sanchez Director	1 share ₱40.00 (R)	Filipino	0.0000000655
Eusebio V. Tan Director	10 shares ₱400.00 (R)	Filipino	0.0000006554
Michael G. Tan Director	62,250 shares ₱2,490,000.00 (R)	Filipino	0.0040799210
Vivienne K. Tan Director	10 shares ₱400.00 (R)	Filipino	0.0000006554
Maria Almasara Cyd N. Tuaño-Amador Independent Director	1 share ₱40.00 (R)	Filipino	0.0000000655
Domingo H. Yap Independent Director	1 share ₱40.00 (R)	Filipino	0.0000000655
<i>Sub-total</i>	64,112 shares ₱2,564,480.00 (R)		0.0042019581
All Directors & Executive Officers as a Group	126,719 shares ₱5,068,760.00 (R)		0.0083052772
Officers – 62,607 shares			

(3) Voting Trust Holders of 5% or More

There are no voting trust holders of 5% or more of the Bank's shares.

(4) Changes in Control

There has been no change in control in the Bank for the year 2024.

Item 12. Certain Relationships and Related Transactions

In the ordinary course of business, the Bank has loans and other transactions with its subsidiaries and affiliates, and with certain directors, officers, stockholders and related interests (DOSRI). Under the Bank's policy, these loans and other transactions are made substantially on the same terms as with other individuals and businesses of comparable risks. The amount of direct credit accommodations to each of the Bank's DOSRI, 70.00% of which must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank.

In the aggregate, DOSRI loans generally should not exceed the Bank's equity or 15% of the Bank's total loan portfolio, whichever is lower. As of December 31, 2024, and 2023, the Bank was in compliance with such regulations.

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

For proper monitoring of related party transactions (RPT) and to assist the Board in performing its oversight functions in monitoring and managing potential conflicts of interest of management, board members and shareholders, the Bank created the Board Oversight RPT Committee (BORC). The BORC is composed of at least five (5) regular members which include three (3) independent directors and two (2) non-voting members (the Chief Audit Executive and the Chief Compliance Officer). The Chairman of the committee is an independent director and appointed by the Board.

Information related to transactions with related parties and with certain Directors, Officers, Stockholders and Related Interests (DOSRI) is shown under Note 33 of the Audited Financial Statements of the Bank and Subsidiaries and Exhibit II (c) of the Supplementary Schedules Required by SRC Rule 68 Annex J.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

This portion has been deleted pursuant to SEC Memorandum Circular No. 5, Series of 2013 and is transferred to the Annual Corporate Governance Report, which is a separate document to be submitted to the SEC.

PART V - EXHIBITS FOR SEC 17-A AND REPORTS ON SEC 17-C

A. Exhibits for SEC 17-A

	Securities Regulation Code Forms	Exhibit
1	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	N/A
2	Instruments Defining the Rights of Security Holders, Including Indentures	N/A
3	Voting Trust Agreement	N/A
4	Annual Report to Security Holders	Exhibit I
5	Letter re: Change in Certifying Accountant	N/A
6	Letter re: Change in Accounting Principles	N/A
7	Report Furnished to Security Holders	N/A
8	Subsidiaries of the Registrant	Exhibit II (c)
9	Published Report Regarding Matters Submitted to Vote of Security Holders	N/A
10	Consents of Experts and Independent Counsel	N/A
	(a) Power of Attorney	N/A
	(b) Power of Attorney – Foreign Registrant	N/A
11	Additional Exhibits:	Exhibit II
	(a) List of Bank Owned Properties as of December 31, 2024	Exhibit II (a)
	(b) List of Branches Under Lease as of December 31, 2024	Exhibit II (b)
	(c) Supplementary Schedules Required Under Revised Securities Regulation Code Rule 68	Exhibit II (c)
	(d) Sustainability Report for the Year 2024	Exhibit II (d)

* N/A – not applicable

B. Reports on SEC 17-C

DATE	PARTICULARS
January 26, 2024	Board approval of the following: - Holding of the Bank's Annual Stockholders' Meeting (ASM) on April 30, 2024 at 8:00 a.m. through remote communication and allow voting <i>in absentia</i> to provide the stockholders a safer mode of attending and participating in the Bank's ASM. Only stockholders of record as of April 1, 2024 will be entitled to notice of and to vote at the meeting. The Agenda for the Meeting will be as follows: - Call to Order - Secretary's Proof of Notice and Quorum - Approval of the Minutes of the 2023 Annual Stockholders' Meeting held on April 25, 2023 - Report of the President on the Results of Operations for the Year 2023 - Approval of the 2023 Annual Report - Ratification of All Legal Acts, Resolutions and Proceedings of the Board of Directors and Corporate Officers since the 2023 Annual Stockholders' Meeting - Election of Directors

	8. Appointment of External Auditor 9. Other Matters 10. Adjournment 2. Amendments to the 2023 Corporate Governance Manual; 3. Board Overseas Offices Oversight Committee Charter; and 4. Consolidation of the Enterprise & Cyber Security Group (EICSG) and the Risk Management Group (RMG) as Enterprise Risk Management Group (ERMG).
February 23, 2024	Press Release - PNB posts highest net income growth by 55% in 2023
February 23, 2024	Board approval of the following: 1. Nominees to the Board of Directors of the Bank for the year 2024-2025, as endorsed by the Corporate Governance and Sustainability Committee: 1. Felix Enrico R. Alfiler 2. Florido P. Casuela 3. Edgar A. Cua 4. Chester Y. Luy 5. Estelito P. Mendoza (+) 6. Isabelita M. Papa 7. Sheila T. Pascual 8. Wilfrido E. Sanchez 9. Protacio T. Tacandong 10. Eusebio V. Tan 11. Lucio C. Tan III 12. Michael G. Tan 13. Vivienne K. Tan 14. Maria Almasara Cyd N. Tuaño-Amador 15. Domingo H. Yap Mr. Edgar A. Cua, Ms. Isabelita M. Papa, Mr. Protacio T. Tacandong, Ms. Maria Almasara Cyd N. Tuaño-Amador and Mr. Domingo H. Yap were nominated as Independent Directors. 2. Amendments to Article III, Article IV, Article V and Article VI of the Bank's Amended By-Laws in compliance with the provisions of the Revised Corporation Code of the Philippines and other applicable laws and regulations, subject to shareholder and regulatory approvals.
March 4, 2024	Notice of Analysts' Briefing
March 11, 2024	Board approval of the early retirement of Atty. Erwin C. Go, FSVP, effective March 8, 2024.
March 22, 2024	Board approval of the following: 1. Amendments to the 2024 Corporate Governance Manual;

	2. Expiration of the fixed-term employment of Ms. Aida M. Padilla, EVP and Head of the Enterprises Services Sector (ESS), effective April 25, 2024; 3. Expiration of the fixed-term employment of Ms. Ma. Adelia A. Joson, FSVP and Head of the Retail Banking Sector (RBS), effective May 15, 2024; 4. Appointment of Mr. Jose German M. Licup, FSVP, as Head of the ESS in concurrent capacity as Head of the International Banking and Remittance Group under the RBS, effective April 26, 2024, vice Ms. Padilla. As of date, Mr. Licup has no beneficial ownership over any PNB shares; 5. Appointment of Mr. Carlo M. Dimaala, SVP, as Head of the RBS, effective May 16, 2024, vice Ms. Joson. As of date, Mr. Dimaala has 1,225 PNB shares under his name; 6. Resignation of Mr. Aidell Amor R. Gregorio, SVP, as Deputy Chief Financial Officer and Controller, effective April 13, 2024; 7. Change in designation of Ms. Juliet S. Dytoc, FVP, from Chief Risk Officer and Head of Risk Management Group to Chief Risk Officer and Head of the Enterprise Risk Management Group, effective February 1, 2024. As of date, Ms. Dytoc has 1,346 PNB shares under her name; and 8. Change in designation of Mr. Roland V. Oscuro, FSVP, from Chief Information Security Officer, Data Protection Officer and Head of Enterprise Information & Cyber Security Group to Chief Information Security Officer and Data Protection Officer, effective February 1, 2024. As of date, Mr. Oscuro has 7,610 PNB shares under his name.
April 4, 2024	Board approval of the renewal of the Proxy in favor of LT Group, Inc. to vote all shares registered in the name of the Bank on any and all matters that may be taken up in the forthcoming Annual Stockholders' Meeting of PNB Holdings Corporation (PHC) on April 18, 2024. This aligns with the Bank's intention to engage competent and expert property managers for PHC which will further enhance shareholder value.
April 26, 2024	Board approval of the following: 1. Amendments to the 2024 Corporate Governance Manual; 2. Promotion of Mr. Jose German M. Licup, Head of the Enterprises Services Sector and the International Banking and Remittance Group in concurrent capacity, from First Senior Vice President to Executive Vice President, effective May 1, 2024. As of date, Mr. Licup has no beneficial ownership over any PNB shares; and 3. Promotion of Mr. Carlo S. Dimaala, Head of the Branch Banking Group - VisMin, from Senior Vice President to First Senior Vice President, effective June 1, 2024. As of date, Mr. Dimaala has 1,225 PNB shares under his name.
April 30, 2024	Results of the 2024 Annual Stockholders' Meeting and the Board of Directors' Organizational Meeting
April 30, 2024	Press Release – PNB 1Q 2024 Net Income at P5.3 Billion
May 2, 2024	Revised Press Release – PNB 1Q 2024 Net Income at P5.3 Billion

May 2, 2024	Consolidated Key Financial Information as of March 31, 2024																								
May 3, 2024	Notice of Analysts’ Briefing																								
May 24, 2024	Board approval of the updating of the Bank’s USD2.0B Euro Medium Term Note (EMTN) Program. Likewise, the Board approved the issuance of USD300M, with an option to upsize, out of the USD2.0B EMTN Programme.																								
June 28, 2024	Board approval of the following: 1. Appointment of Ms. Mariana F. Caculitan, FSVP, as Head of the International Banking and Remittance Group, effective July 1, 2024, vice Mr. Jose German M. Licup. As of date, Ms. Caculitan has no beneficial ownership over any PNB shares; 2. Expiration of the fixed-term employment of Ms. Socorro D. Corpus, Officer-in-Charge of the Human Resource Group, effective July 31, 2024; and 3. Promotion of the following senior officers, effective July 1, 2024: <table><tr><th>Name</th><th>Rank</th><th>No. of PNB Shareholdings (common shares)</th></tr><tr><td>1. Humildad M. Santelices</td><td>First Senior Vice President</td><td>3,610</td></tr><tr><td>2. Ma. Agnes T. Almosara</td><td>Senior Vice President</td><td>2,032</td></tr><tr><td>3. Katherine H. Cabrera</td><td>Senior Vice President</td><td>0</td></tr><tr><td>4. Modette Ines V. Carino</td><td>Senior Vice President</td><td>2,220</td></tr><tr><td>5. Dennis Anthony D. Elayda</td><td>Senior Vice President</td><td>2,054</td></tr><tr><td>6. Ma. Theresa E. Liao</td><td>Senior Vice President</td><td>0</td></tr><tr><td>7. Robina S. Sy</td><td>Senior Vice President</td><td>0</td></tr></table>	Name	Rank	No. of PNB Shareholdings (common shares)	1. Humildad M. Santelices	First Senior Vice President	3,610	2. Ma. Agnes T. Almosara	Senior Vice President	2,032	3. Katherine H. Cabrera	Senior Vice President	0	4. Modette Ines V. Carino	Senior Vice President	2,220	5. Dennis Anthony D. Elayda	Senior Vice President	2,054	6. Ma. Theresa E. Liao	Senior Vice President	0	7. Robina S. Sy	Senior Vice President	0
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6. Ma. Theresa E. Liao	Senior Vice President	0																							
7. Robina S. Sy	Senior Vice President	0																							
July 26, 2024	Board approval of the following: 1. Rehabilitation Plan for PNB Remittance Centers, Inc. and PNB Remittance Company (Canada); and 2. Nomination of Mr. Eusebio V. Tan to the PNB Holdings Corporation (PHC) Board to represent the Bank and to protect its substantial investment in PHC. As of date, Mr. Tan has ten (10) PNB shares under his name.																								
July 26, 2024	Press Release - PNB profit reaches P10.3 billion for first half 2024																								
July 26, 2024	Consolidated Key Financial Information as of June 30, 2024																								
August 5, 2024	Notice of Analysts’ Briefing																								

August 27, 2024	Board approval of the following: 1. Reclassification of the Corporate Sustainability Department to Corporate Sustainability and Social Responsibility Division under the Financial Management, Strategy and Sustainability Sector; 2. Appointment of Ms. Jean Marie B. Baruelo, SVP, as Head of the Corporate Sustainability and Social Responsibility Division, effective August 22, 2024. As of date, Ms. Baruelo has 2,429 PNB shares under her name; 3. Changes in the designation of the following senior officers effective June 1, 2024: <table><tr><th>Name</th><th>From</th><th>To</th><th>No. of PNB Common Shares</th></tr><tr><td>Elisa M. Cua</td><td>Senior Vice President and Division Head, Financial Institutions Division under the Global Banking & Markets Sector</td><td>Senior Vice President and Division Head, Financial Institutions Division, Corporate Banking Group under the Institutional Banking Sector</td><td>3,632</td></tr><tr><td>Katherine H. Cabrera</td><td>Senior Vice President and Division Head, Cash Management & Innovations Division, Institutional Transaction Banking Group under the Institutional Banking Sector</td><td>Senior Vice President and Division Head, Cash Management Division under the Retail Banking Sector</td><td>0</td></tr></table> 4. Election of Mr. Eusebio V. Tan to the PNB Holdings Corporation (PHC) Board to represent the Bank and to protect its substantial investment in PHC, effective August 1, 2024. As of date, Mr. Tan has ten (10) PNB shares under his name.	Name	From	To	No. of PNB Common Shares	Elisa M. Cua	Senior Vice President and Division Head, Financial Institutions Division under the Global Banking & Markets Sector	Senior Vice President and Division Head, Financial Institutions Division, Corporate Banking Group under the Institutional Banking Sector	3,632	Katherine H. Cabrera	Senior Vice President and Division Head, Cash Management & Innovations Division, Institutional Transaction Banking Group under the Institutional Banking Sector	Senior Vice President and Division Head, Cash Management Division under the Retail Banking Sector	0
Name	From	To	No. of PNB Common Shares										
Elisa M. Cua	Senior Vice President and Division Head, Financial Institutions Division under the Global Banking & Markets Sector	Senior Vice President and Division Head, Financial Institutions Division, Corporate Banking Group under the Institutional Banking Sector	3,632										
Katherine H. Cabrera	Senior Vice President and Division Head, Cash Management & Innovations Division, Institutional Transaction Banking Group under the Institutional Banking Sector	Senior Vice President and Division Head, Cash Management Division under the Retail Banking Sector	0										
August 29, 2024	Board approval of the resignation of Mr. Protacio T. Tacandong as an Independent Director of the Bank effective at the close of business hours of August 30, 2024. Mr. Tacandong was elected as an Independent Director of the Bank during its Annual Stockholders’ Meeting held on April 30, 2024.												

September 27, 2024	Board approval of the following: 1. October 25, 2024 as the Distribution Date of the property dividends declared on April 23, 2021 consisting of the Bank’s 51% equity in PNB Holdings Corporation (PHC). This is for stockholders who were issued electronic Certificates Authorizing Registration (eCAR) by the Bureau of Internal Revenue (BIR) as of August 29, 2024 and have fully settled their obligations. The dividend distribution will continue as and when eCARs are released by the BIR and all obligations are settled. 2. Hiring of PNB Capital and Investment Corporation as Financial Advisor and Lead Arranger of the Bank for the sale of at least 9.18% of its stake in PHC; and 3. Resignation of Mr. Isagani A. Cortes, EVP and Chief Compliance Officer, effective at the close of business hours of October 31, 2024.																																																																																
October 11, 2024	Board approval of the following: 1. Election of Mr. Geocel D. Olanday as an Independent Director of the Bank to serve the unexpired term of Mr. Protacio T. Tacandong effective October 11, 2024, subject to regulatory approval. Mr. Olanday has one PNB share under his name. Mr. Olanday is currently the CEO & Chief Advisor of Amaris Global Ltd. (HK) Advisory Services and the Lead Independent Director of SBS Philippines. He is also a Trustee of i-Home Foundation, Inc. and a Teaching Fellow at the Institute of Corporate Directors. His areas of expertise include strategic marketing and advertising, finance, business development, and restructuring. His industry experiences include banking and strategic finance, fast moving consumer goods, commercial and residential real estate, construction, retail, healthcare, deathcare, education, and transportation and renewables. Mr. Olanday obtained his Bachelor of Science degree in Business Administration & Accountancy and his Master of Business Administration from the University of the Philippines. He is a Certified Public Accountant. He is also a Fellow at the Institute of Corporate Directors. 2. Revision to the memberships of the following Board Committees: A. Board Audit and Compliance Committee <table><tr><th colspan="4">FROM</th><th colspan="4">TO</th></tr><tr><th></th><th>Name</th><th></th><th>Position</th><th></th><th>Name</th><th></th><th>Position</th></tr><tr><td>1.</td><td>Protacio T. Tacandong*</td><td>-</td><td>Chairman</td><td>1.</td><td>Geocel D. Olanday*</td><td>-</td><td>Chairman</td></tr><tr><td>2.</td><td>Isabelita M. Papa*</td><td>-</td><td>Vice Chairman</td><td>2.</td><td>Isabelita M. Papa*</td><td>-</td><td>Vice Chairman</td></tr><tr><td>3.</td><td>Edgar A. Cua</td><td>-</td><td>Member</td><td>3.</td><td>Edgar A. Cua</td><td>-</td><td>Member</td></tr><tr><td>4.</td><td>Chester Y. Luy</td><td>-</td><td>Member</td><td>4.</td><td>Chester Y. Luy</td><td>-</td><td>Member</td></tr><tr><td>5.</td><td>Michael G. Tan</td><td>-</td><td>Member</td><td>5.</td><td>Michael G. Tan</td><td>-</td><td>Member</td></tr><tr><td>6.</td><td>Eusebio V. Tan</td><td>-</td><td>Member</td><td>6.</td><td>Eusebio V. Tan</td><td>-</td><td>Member</td></tr><tr><td>7.</td><td>Domingo H. Yap*</td><td>-</td><td>Member</td><td>7.</td><td>Domingo H. Yap*</td><td>-</td><td>Member</td></tr><tr><td>8.</td><td>Maria Almasara Cyd N. Tuaño-Amador*</td><td>-</td><td>Member</td><td>8.</td><td>Maria Almasara Cyd N. Tuaño-Amador*</td><td>-</td><td>Member</td></tr></table>	FROM				TO					Name		Position		Name		Position	1.	Protacio T. Tacandong*	-	Chairman	1.	Geocel D. Olanday*	-	Chairman	2.	Isabelita M. Papa*	-	Vice Chairman	2.	Isabelita M. Papa*	-	Vice Chairman	3.	Edgar A. Cua	-	Member	3.	Edgar A. Cua	-	Member	4.	Chester Y. Luy	-	Member	4.	Chester Y. Luy	-	Member	5.	Michael G. Tan	-	Member	5.	Michael G. Tan	-	Member	6.	Eusebio V. Tan	-	Member	6.	Eusebio V. Tan	-	Member	7.	Domingo H. Yap*	-	Member	7.	Domingo H. Yap*	-	Member	8.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member	8.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member
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B. Corporate Governance and Sustainability Committee

<u>FROM</u>				<u>TO</u>			
	Name		Position		Name		Position
1.	Edgar A. Cua*	-	Chairman	1.	Edgar A. Cua*	-	Chairman
2.	Protacio T. Tacandong*	-	Vice Chairman	2.	Geocel D. Olanday*	-	Vice Chairman
3.	Isabelita M. Papa*	-	Member	3.	Isabelita M. Papa*	-	Member
4.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member	4.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member
5.	Domingo H. Yap*	-	Member	5.	Domingo H. Yap*	-	Member

C. Risk Oversight Committee

<u>FROM</u>				<u>TO</u>			
	Name		Position		Name		Position
1.	Maria Almasara Cyd N. Tuaño-Amador*	-	Chairman	1.	Maria Almasara Cyd N. Tuaño-Amador*	-	Chairman
2.	Isabelita M. Papa*	-	Vice Chairman	2.	Isabelita M. Papa*	-	Vice Chairman
3.	Felix Enrico R. Alfiler	-	Member	3.	Felix Enrico R. Alfiler	-	Member
4.	Edgar A. Cua*	-	Member	4.	Edgar A. Cua*	-	Member
5.	Chester Y. Luy	-	Member	5.	Chester Y. Luy	-	Member
6.	Wilfrido E. Sanchez	-	Member	6.	Geocel D. Olanday*	-	Member
7.	Protacio T. Tacandong*	-	Member	7.	Wilfrido E. Sanchez	-	Member
8.	Vivienne K. Tan	-	Member	8.	Vivienne K. Tan	-	Member
9.	Domingo H. Yap*	-	Member	9.	Domingo H. Yap*	-	Member

D. Board Strategy and Policy Committee

<u>FROM</u>				<u>TO</u>			
	Name		Position		Name		Position
1.	Felix Enrico R. Alfiler	-	Chairman	1.	Felix Enrico R. Alfiler	-	Chairman
2.	Edgar A. Cua*	-	Vice Chairman	2.	Edgar A. Cua*	-	Vice Chairman
3.	Florido P. Casuela	-	Member	3.	Florido P. Casuela	-	Member
4.	Chester Y. Luy	-	Member	4.	Chester Y. Luy	-	Member
5.	Isabelita M. Papa*	-	Member	5.	Geocel D. Olanday*	-	Member
6.	Sheila T. Pascual	-	Member	6.	Isabelita M. Papa*	-	Member
7.	Wilfrido E. Sanchez	-	Member	7.	Sheila T. Pascual	-	Member
8.	Protacio T. Tacandong*	-	Member	8.	Wilfrido E. Sanchez	-	Member
9.	Eusebio V. Tan	-	Member	9.	Eusebio V. Tan	-	Member
10.	Lucio C. Tan III	-	Member	10.	Lucio C. Tan III	-	Member
11.	Michael G. Tan	-	Member	11.	Michael G. Tan	-	Member
12.	Vivienne K. Tan	-	Member	12.	Vivienne K. Tan	-	Member
13.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member	13.	Maria Almasara Cyd N. Tuaño-Amador*	-	Member

*Independent Director

October 11, 2024

Advisement on the following:

Philippine National Bank (the “Issuer”), rated Baa3 (Positive) by Moody’s, has mandated ING and J.P. Morgan as Joint Lead Managers and Joint Bookrunners to arrange a series of fixed income investor meetings commencing on 14 October 2024.

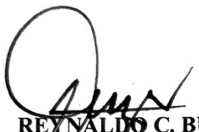
A USD-denominated benchmark-sized Sustainability Regulation S offering of 5-year senior notes (the “Notes”) under the Issuer’s USD2 billion EMTN programme (the “Programme”) may follow, subject to market conditions. PNB Capital is the Sole Global Coordinator in relation to the Programme.

October 17, 2024	Press Release - PNB successfully returns to the bond market with US\$300 million sustainability bond offering																																																
October 17, 2024	Final Price Guidance (FPG) and other details about the US\$ Sustainability Regulation S Offering of the Bank.																																																
October 21, 2024	Frequently Asked Questions for the Property Dividend Declaration of the Bank																																																
October 25, 2024	Board approval of the following: 1. Appointment of Ms. Melissa K. Gabor, FVP, as Officer-in-Charge of the Global Compliance Group for six months from November 4, 2024 to May 3, 2025. As of date, Ms. Gabor has no beneficial ownership over any PNB shares; 2. Appointment of Mr. Bernabe R. Punsalan, SVP, as Head of the Branch Banking Group Metro Manila under the Retail Banking Sector, effective December 6, 2024. As of date, Mr. Punsalan has 1,875 PNB shares under his name; 3. Amendment to the Risk Oversight Committee Charter; 4. Amendment to the Board Overseas Offices Oversight Committee (BOOOC) Charter, particularly the composition of the Committee; and 5. Revision to the membership of the BOOOC, as follows: <table><thead><tr><th colspan="4">FROM</th><th colspan="4">TO</th></tr><tr><th></th><th>Name</th><th></th><th>Position</th><th></th><th>Name</th><th></th><th>Position</th></tr></thead><tbody><tr><td>1.</td><td>Felix Enrico R. Alfiler</td><td>-</td><td>Chairman</td><td>1.</td><td>Felix Enrico R. Alfiler</td><td>-</td><td>Chairman</td></tr><tr><td>2.</td><td>Maria Almasara Cyd N. Tuaño-Amador*</td><td>-</td><td>Vice Chairman</td><td>2.</td><td>Maria Almasara Cyd N. Tuaño-Amador*</td><td>-</td><td>Vice Chairman</td></tr><tr><td>3.</td><td>Isabelita M. Papa*</td><td>-</td><td>Member</td><td>3.</td><td>Edgar A. Cua*</td><td>-</td><td>Member</td></tr><tr><td></td><td></td><td></td><td></td><td>4.</td><td>Isabelita M. Papa*</td><td>-</td><td>Member</td></tr></tbody></table> *Independent Director	FROM				TO					Name		Position		Name		Position	1.	Felix Enrico R. Alfiler	-	Chairman	1.	Felix Enrico R. Alfiler	-	Chairman	2.	Maria Almasara Cyd N. Tuaño-Amador*	-	Vice Chairman	2.	Maria Almasara Cyd N. Tuaño-Amador*	-	Vice Chairman	3.	Isabelita M. Papa*	-	Member	3.	Edgar A. Cua*	-	Member					4.	Isabelita M. Papa*	-	Member
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October 25, 2024	Press Release - PNB net income up 12% to P15.1 billion in 9M 2024																																																
October 25, 2024	Consolidated Key Financial Information as of September 30, 2024																																																
November 7, 2024	Notice of Analysts’ Briefing																																																
November 22, 2024	Board approval of the following: 1. Amendment to the Board Overseas Offices Oversight Committee (BOOOC) Charter; 2. Reorganization and renaming of Digital Innovations Group to Digital Channel Management and Innovation Group, effective January 1, 2025; and 3. Promotion of the following senior officers, effective December 1, 2024: <table><thead><tr><th>Name</th><th>Rank</th><th>No. of PNB Shareholdings (common shares)</th></tr></thead><tbody><tr><td>1. Bernabe R. Punsalan</td><td>First Senior Vice President</td><td>1,875</td></tr><tr><td>2. Lotus R. Altavas</td><td>Senior Vice President</td><td>0</td></tr></tbody></table>	Name	Rank	No. of PNB Shareholdings (common shares)	1. Bernabe R. Punsalan	First Senior Vice President	1,875	2. Lotus R. Altavas	Senior Vice President	0																																							
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2. Lotus R. Altavas	Senior Vice President	0																																															

Pursuant to the requirement of Section 17 of the Code and Section 177 of the Revised Corporation Code, this report is signed on behalf of the Philippine National Bank by the undersigned, thereunto duly authorized in the City of Pasay on 04 APR, 2025.


FLORIDO P. CASUELA
President


FRANCIS B. ALBALATE
Executive Vice President and Chief Financial Officer


REYNALDO C. BURGOS
First Senior Vice President
Operations Group Head
(Principal Operating Officer)


MARK S. PANTALLON
First Vice President and Controller
(Principal Accounting Officer)


ATTY. RUTH PAMELA E. TANGHAL
Corporate Secretary

04 APR 2025

SUBSCRIBED AND SWORN to before me this ____ day of ____ 2025 affiants exhibiting to me their Identification Nos.

Doc. No. 115
Page No. 24
Book No. 1
Series of 2025

ATTY. JAMIE O. REAL
Commission No. 25-32 / Roll No. 68794
Notary Public in and for Pasay City until December 31, 2026
9th Floor PNB Financial Center
Pres. Diosdado Macapagal Blvd., Pasay City
PTR No. 8838574/Jan. 04, 2025/Pasay City
IBP Lifetime No. 018651/Dec. 11, 2017/Manila IV
MCLE Compliance No. VII-0003775

COVER SHEETfor
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A	S	0	9	6	-	0	0	5	5	5	5
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COMPANY NAME

P	H	I	L	I	P	P	I	N	E		N	A	T	I	O	N	A	L		B	A	N	K		A	N	D		S
U	B	S	I	D	I	A	R	I	E	S																			

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

P	N	B		F	i	n	a	n	c	i	a	l		C	e	n	t	e	r	,		P	r	e	s	i	d	e	n
t		D	i	o	s	d	a	d	o		M	a	c	a	p	a	g	a	l		B	o	u	l	e	v	a	r	d

Form Type

A	A	F	S
---	---	---	---

Department requiring the report

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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address

pantallonms@pnb.com.ph

Company's Telephone Number

Mobile Number

No. of Stockholders

35,918

Annual Meeting (Month / Day)

04/29

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATIONThe designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Mr. Mark S. Pantallon

Email Address

Telephone Number/s

8891-6040 to 70

Mobile Number

CONTACT PERSON'S ADDRESS**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.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Philippine National Bank (the Bank) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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


EDGAR A. CUA
Chairman of the Board


FLORIDO P. CASUELA
President and Chief Executive Officer


FRANCIS B. ALBALADE
Executive Vice President and Chief Financial Officer

SUBSCRIBED AND SWORN to before me this **MAR 05 2025** day of **Pasay City**, 2025 affiants exhibiting to me their Passport / SSS Identification Nos. 

Doc. No. 428
Page No. 97
Book No. 14
Series of 2025


ATTY. EDGARDO V. SATUR
Notary Public for and in Pasay City
9th Floor, Legal Group, PNB Financial Center
Pres. Diosdado Macapagal Blvd., Pasay City
Commission No. 24-49 until 12-31-2025
PTR No. PC 8838576 / 01-04-2025 / Pasay City
Roll No. 34783, IBP OR No. 486971 / 12-24-2024
MCLE Compliance No. VIII-0011373

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Wednesday, February 26, 2025 5:07 AM
To: Christine N. Oli
Subject: Re: CGFD_Philippine National Bank_SEC Form 17-C_25Feb2025

Thank you for reaching out to ictdsubmission@sec.gov.ph!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, notice is hereby given that effective 1 January 2025, the **Manual on Corporate Governance (MCG)** and **Mutual Fund Sales Report (ICASR)** must be submitted through [eFAST](https://efast.sec.gov.ph). The submission of MCG and ICASR through the ictdsubmission@sec.gov.ph shall no longer be accepted. For guidance on the filing of reports, please access the “[Notice](#)” as published in the [SEC website](#) dated 6 November 2024 – *Submission of Manual on Corporate Governance (MCG) and Mutual Fund Sales Report (ICASR)*.

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Philippine National Bank
PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Philippine National Bank and its Subsidiaries (the Group) and the parent company financial statements of Philippine National Bank (the Parent Company), which comprise the consolidated and parent company statements of financial position 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 financial statements, including material accounting policy information.

In our opinion, the accompanying 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 (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's 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 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 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 and the Parent Company's application of the expected credit losses (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 impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL.

Allowance for credit losses on loans and receivables as of December 31, 2024 amounted to ₱42.2 billion for the Group and the Parent Company. Provision for credit losses in 2024 amounted to ₱3.8 billion and ₱3.7 billion for the Group and the Parent Company, respectively.

The disclosures related to the allowance for credit losses on loans and receivables are included in Note 16 of the financial statements.

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 by reconciling data 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 also assessed the assumptions used where there are missing or insufficient data.

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

We reviewed the completeness of the disclosures made in the financial statements.

Impairment Testing of Goodwill

As of December 31, 2024, the goodwill of the Group and the Parent Company amounted to ₱10.2 billion and ₱10.3 billion, respectively, as a result of the acquisition of Allied Banking Corporation in 2013. Under PFRS Accounting Standards, the Group and the Parent Company are required to test the amount of goodwill for impairment annually. Goodwill has been allocated to three cash generating units (CGUs) namely Retail Banking, Corporate Banking, and Treasury. The Group and the Parent Company performed the impairment testing using the value in use calculation. The annual impairment test is significant to our audit because it involves significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically estimates of loan and deposit growth rates, interest margin, discount rates, and long-term growth rate.

The disclosures related to goodwill impairment are included in Note 14 to the financial statements.

Audit response

We involved our internal specialist in evaluating the methodology and the assumptions used by the Group and the Parent Company. We compared the key assumptions used, such as loan and deposit growth rates, interest margin and long-term growth rate to the historical performance of the CGUs and to economic and industry forecasts. We tested the parameters used in the derivation of the discount rate against market data. We also reviewed the 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.

Other Information

The other information consists of 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, 2024, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. 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 do not express any form of assurance conclusion thereon.

In connection with our audit 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 financial statements or our knowledge obtained in the audit 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 financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and the 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 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 the 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 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 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 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 the 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 the 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 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 financial statements, including the disclosures, and whether the 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 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

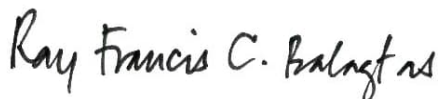


Report on the Supplementary Information Required Under Revenue Regulations 15-2010 and Section 174 of the Manual of Regulations for Banks (MORB)

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 Revenue Regulations 15-2010 in Note 39 and with Section 174 of the MORB in Note 40 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and Bangko Sentral ng Pilipinas, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Philippine National Bank. 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
Ray Francis C. Balagtas.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465263, January 2, 2025, Makati City

February 25, 2025



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

(In Thousands)

	Consolidated		Parent Company	
	December 31		December 31	
	2024	2023	2024	2023
ASSETS				
Cash and Other Cash Items	₱20,638,033	₱21,151,391	₱20,522,258	₱21,052,526
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	55,128,316	95,410,350	55,128,316	95,410,350
Due from Other Banks (Note 33)	20,183,894	21,243,856	11,478,178	13,626,624
Interbank Loans Receivable (Notes 8 and 33)	22,787,194	35,634,440	21,282,167	33,437,319
Securities Held Under Agreements to Resell (Notes 8 and 35)	103,480,119	69,694,538	103,480,119	69,694,538
Trading and Investment Securities				
Financial Assets at Fair Value Through Profit or Loss (FVTPL) (Note 9)	17,920,985	10,516,864	17,770,142	10,363,259
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (Note 9)	211,742,783	164,531,492	211,270,334	164,136,971
Investment Securities at Amortized Cost (Note 9)	112,422,382	123,200,427	112,040,395	122,730,465
Loans and Receivables (Notes 10 and 33)	636,819,625	616,710,746	622,392,170	602,158,763
Property and Equipment (Note 11)	10,195,539	10,754,018	9,372,895	9,862,219
Investments in Subsidiaries and an Associate (Note 12)	3,446,613	3,199,124	21,630,204	20,567,070
Investment Properties (Note 13)	15,964,267	14,579,558	15,544,917	14,111,607
Deferred Tax Assets (Note 30)	7,460,676	6,981,726	7,478,726	6,929,669
Intangible Assets (Note 14)	1,084,955	1,301,726	1,007,460	1,214,890
Goodwill (Note 14)	10,184,843	10,184,843	10,325,201	10,325,201
Other Assets (Note 15)	8,150,629	5,454,301	7,533,619	4,752,685
TOTAL ASSETS	₱1,257,610,853	₱1,210,549,400	₱1,248,257,101	₱1,200,374,156
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 17 and 33)				
Demand	₱244,369,119	₱228,405,865	₱244,265,215	₱228,144,045
Savings	575,335,527	541,009,449	574,238,560	540,063,571
Time	147,368,732	145,752,061	144,142,631	141,770,924
Long Term Negotiable Certificates	4,598,770	12,803,543	4,598,770	12,803,543
	971,672,148	927,970,918	967,245,176	922,782,083
Financial Liabilities at FVTPL (Notes 18, 23 and 35)	924,053	555,811	921,693	555,811
Bills and Acceptances Payable (Notes 19, 33 and 35)	20,208,451	20,162,603	20,208,451	20,162,603
Lease Liabilities (Notes 29 and 33)	3,808,997	3,832,884	3,722,719	3,723,316
Accrued Taxes, Interest and Other Expenses (Note 20)	8,798,553	10,465,373	8,582,094	10,049,650
Bonds Payable (Note 21)	17,304,421	41,490,871	17,304,421	41,490,871
Income Tax Payable	159,233	180,364	76,516	103,470
Other Liabilities (Note 22)	18,106,056	14,741,922	17,071,589	13,553,863
	1,040,981,912	1,019,400,746	1,035,132,659	1,012,421,667
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Capital Stock (Note 25)	61,030,594	61,030,594	61,030,594	61,030,594
Capital Paid in Excess of Par Value (Note 25)	32,116,560	32,116,560	32,106,560	32,106,560
Surplus Reserves (Notes 10, 25 and 32)	4,967,037	4,677,930	4,967,037	4,677,930
Surplus (Note 25)	113,663,851	91,979,317	113,823,592	92,174,169
Net Unrealized Gains (Losses) on Financial Assets at FVOCI (Notes 9 and 33)	142,134	(1,722,653)	142,134	(1,722,653)
Remeasurement Losses on Retirement Plan (Note 28)	(2,655,218)	(2,728,542)	(2,655,218)	(2,728,542)
Accumulated Translation Adjustment (Note 25)	2,357,844	1,999,668	2,357,844	1,999,668
Other Equity Reserves (Notes 12 and 25)	1,189,003	248,830	1,330,690	390,517
Share in Aggregate Reserves on Life Insurance Policies (Note 12)	21,209	24,246	21,209	24,246
Other Equity Adjustment	13,959	13,959	—	—
	212,846,973	187,639,909	213,124,442	187,952,489
NON-CONTROLLING INTERESTS (Note 12)	3,781,968	3,508,745	—	—
	216,628,941	191,148,654	213,124,442	187,952,489
TOTAL LIABILITIES AND EQUITY	₱1,257,610,853	₱1,210,549,400	₱1,248,257,101	₱1,200,374,156

See accompanying Notes to Financial Statements.



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES

STATEMENTS OF INCOME

(In Thousands, Except Earnings per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	2024	2023	2022
INTEREST INCOME ON						
Loans and receivables (Notes 10 and 33)	₱43,803,454	₱40,757,927	₱34,424,531	₱43,035,508	₱40,119,733	₱33,794,036
Investment securities at amortized cost and FVOCI (Note 9)	16,777,707	12,608,170	8,154,922	16,733,356	12,560,530	8,143,092
Interbank loans receivable and securities held under agreements to resell (Note 8)	4,644,161	3,368,565	954,603	4,564,414	3,360,981	896,683
Deposits with banks and others (Notes 7, 12 and 33)	1,637,256	2,607,973	1,417,661	1,335,615	2,252,437	1,330,052
Financial assets at FVTPL (Note 9)	596,012	251,894	292,685	587,577	243,483	284,251
	67,458,590	59,594,529	45,244,402	66,256,470	58,537,164	44,448,114
INTEREST EXPENSE ON						
Deposit liabilities (Notes 17 and 33)	16,429,535	13,005,646	5,371,667	16,400,951	12,971,817	5,383,153
Bonds payable (Note 21)	1,237,647	1,660,193	2,111,192	1,237,647	1,660,193	2,111,192
Bills payable and other borrowings (Notes 19, 29 and 33)	450,938	335,847	433,973	447,107	319,588	363,544
	18,118,120	15,001,686	7,916,832	18,085,705	14,951,598	7,857,889
NET INTEREST INCOME	49,340,470	44,592,843	37,327,570	48,170,765	43,585,566	36,590,225
Service fees and commission income (Notes 26 and 33)	6,961,870	6,591,256	6,997,609	6,238,388	5,754,883	5,563,369
Service fees and commission expense	1,447,236	1,266,613	1,429,195	1,336,278	1,150,389	935,945
NET SERVICE FEES AND COMMISSION INCOME	5,514,634	5,324,643	5,568,414	4,902,110	4,604,494	4,627,424
OTHER OPERATING INCOME						
Net gains on sale or exchange of assets (Note 26)	1,995,042	4,541,567	7,775,154	1,991,310	4,621,894	7,770,001
Foreign exchange gains - net (Note 23)	1,169,286	1,367,409	1,608,281	961,949	1,149,699	1,149,444
Trading and investment securities gains (losses) - net (Notes 9 and 33)	647,580	394,103	(1,280,783)	646,118	394,755	(1,277,759)
Equity in net earnings (losses) of subsidiaries and an associate (Note 12)	419,505	268,093	(56,060)	831,256	560,393	747,341
Miscellaneous (Note 27)	688,971	871,394	1,136,692	500,029	624,907	721,433
TOTAL OTHER OPERATING INCOME	4,920,384	7,442,566	9,183,284	4,930,662	7,351,648	9,110,460
TOTAL OPERATING INCOME	59,775,488	57,360,052	52,079,268	58,003,537	55,541,708	50,328,109
PROVISION FOR IMPAIRMENT, CREDIT AND OTHER LOSSES (Note 16)						
	3,868,111	5,923,054	7,198,117	3,782,256	5,700,264	7,305,653
IMPAIRMENT IN VALUE OF GOODWILL (Note 14)	–	1,036,567	–	–	1,036,567	–
OPERATING EXPENSES						
Compensation and fringe benefits (Notes 25, 28 and 33)	10,668,601	10,464,071	9,762,776	9,902,026	9,709,419	9,012,641
Taxes and licenses (Note 30)	5,230,401	4,852,190	5,225,595	5,186,919	4,778,102	5,120,690
Depreciation and amortization (Note 11)	3,659,014	3,976,069	4,225,746	3,548,348	3,720,234	3,909,420
Occupancy and equipment-related costs (Note 29)	1,117,892	916,735	1,099,876	973,739	797,259	952,932
Miscellaneous (Note 27)	8,953,772	8,218,171	8,051,942	8,677,415	7,948,947	7,810,430
TOTAL OPERATING EXPENSES	29,629,680	28,427,236	28,365,935	28,288,447	26,953,961	26,806,113
INCOME BEFORE INCOME TAX	26,277,697	21,973,195	16,515,216	25,932,834	21,850,916	16,216,343
PROVISION FOR INCOME TAX (Note 30)	5,099,732	4,007,375	4,931,228	4,896,173	3,847,968	4,684,025
NET INCOME	₱21,177,965	₱17,965,820	₱11,583,988	₱21,036,661	₱18,002,948	₱11,532,318
ATTRIBUTABLE TO:						
Equity Holders of the Parent Company (Note 31)	₱21,052,896	₱17,979,257	₱11,532,318			
Non-controlling Interests	125,069	(13,437)	51,670			
	₱21,177,965	₱17,965,820	₱11,583,988			
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 31)						
	₱13.80	₱11.78	₱7.56	₱13.79	₱11.80	₱7.56

See accompanying Notes to Financial Statements.



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	2024	2023	2022
NET INCOME	₱21,177,965	₱17,965,820	₱11,583,988	₱21,036,661	₱18,002,948	₱11,532,318
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that recycle to profit or loss in subsequent periods:						
Net change in unrealized gains (losses) on debt securities at FVOCI, net of tax (Note 9)	1,479,784	2,505,660	(4,764,711)	1,479,801	2,485,994	(4,754,670)
Share in changes in net unrealized gains (losses) on financial assets at FVOCI of subsidiaries and an associate (Notes 9 and 12)	(49,895)	362,392	(885,481)	(35,694)	382,058	(902,788)
	1,429,889	2,868,052	(5,650,192)	1,444,107	2,868,052	(5,657,458)
Accumulated translation adjustment	514,591	(341,822)	1,102,022	(44,871)	(109,124)	421,609
Share in changes in accumulated translation adjustment of subsidiaries and an associate (Note 12)	—	—	—	403,047	(205,655)	389,442
	1,944,480	2,526,230	(4,548,170)	1,802,283	2,553,273	(4,846,407)
Items that do not recycle to profit or loss in subsequent periods:						
Net change in unrealized gains on equity securities at FVOCI (Note 9)	1,336,767	1,368,570	394,654	1,322,549	1,368,570	401,920
Remeasurement gains (losses) on retirement plan (Note 28)	84,068	(493,906)	495,353	83,262	(512,517)	489,953
Share in changes in aggregate reserves (losses) on life insurance policies (Note 12)	(3,037)	(111,850)	762,490	(3,037)	(111,850)	762,490
Share in changes in remeasurement gains (losses) of subsidiaries and an associate (Note 12)	3,417	(8,275)	7,708	(9,938)	6,920	12,169
	1,421,215	754,539	1,660,205	1,392,836	751,123	1,666,532
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	3,365,695	3,280,769	(2,887,965)	3,195,119	3,304,396	(3,179,875)
TOTAL COMPREHENSIVE INCOME	₱24,543,660	₱21,246,589	₱8,696,023	₱24,231,780	₱21,307,344	₱8,352,443
ATTRIBUTABLE TO:						
Equity holders of the Parent Company	₱24,266,891	₱21,283,653	₱8,352,443			
Non-controlling interests	276,769	(37,064)	343,580			
	₱24,543,660	₱21,246,589	₱8,696,023			

See accompanying Notes to Financial Statements.



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

(In Thousands)

Consolidated

	Capital Stock (Note 25)	Capital Paid in Excess of Par Value (Note 25)	Surplus Reserves (Notes 10, 25 and 32)	Surplus (Note 25)	Net Unrealized Gains (Losses) on Financial Assets at FVOCI (Notes 9 and 33)	Remeasurement Losses on Retirement Plan (Note 28)	Accumulated Translation Adjustment (Note 25)	Other Equity Reserves (Notes 12 and 25)	Share in Aggregate Reserves (Losses) on Life Insurance Policies (Note 12)	Other Equity Adjustment	Total	Non- controlling Interests (Note 12)	Total Equity
Balance at January 1, 2024	₱61,030,594	₱32,116,560	₱4,677,930	₱91,979,317	(₱1,722,653)	(₱2,728,542)	₱1,999,668	₱248,830	₱24,246	₱13,959	₱187,639,909	₱3,508,745	₱191,148,654
Total comprehensive income (loss) for the year	—	—	—	21,052,896	2,766,656	92,200	358,176	—	(3,037)	—	24,266,891	276,769	24,543,660
Share swap transaction (Notes 9 and 25)	—	—	—	894,900	(894,900)	—	—	940,173	—	—	940,173	—	940,173
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	289,107	(289,107)	—	—	—	—	—	—	—	—	—
Transfer of remeasurement gains on retirement plan of a subsidiary	—	—	—	18,876	—	(18,876)	—	—	—	—	—	—	—
Sale of FVOCI equity securities	—	—	—	6,969	(6,969)	—	—	—	—	—	—	—	—
Declaration of dividends by subsidiaries to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(3,546)	(3,546)
Balance at December 31, 2024	₱61,030,594	₱32,116,560	₱4,967,037	₱113,663,851	₱142,134	(₱2,655,218)	₱2,357,844	₱1,189,003	₱21,209	₱13,959	₱212,846,973	₱3,781,968	₱216,628,941
Balance at January 1, 2023	₱61,030,594	₱32,116,560	₱4,929,242	₱73,748,748	(₱5,959,275)	(₱2,222,945)	₱2,314,447	₱248,830	₱136,096	₱13,959	₱166,356,256	₱3,549,378	₱169,905,634
Total comprehensive income (loss) for the year	—	—	—	17,979,257	4,236,622	(505,597)	(314,779)	—	(111,850)	—	21,283,653	(37,064)	21,246,589
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	(251,312)	251,312	—	—	—	—	—	—	—	—	—
Declaration of dividends by subsidiaries to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(3,569)	(3,569)
Balance at December 31, 2023	₱61,030,594	₱32,116,560	₱4,677,930	₱91,979,317	(₱1,722,653)	(₱2,728,542)	₱1,999,668	₱248,830	₱24,246	₱13,959	₱187,639,909	₱3,508,745	₱191,148,654
Balance at January 1, 2022	₱61,030,594	₱32,116,560	₱5,147,440	₱61,998,232	(₱703,737)	(₱2,725,067)	₱1,503,396	₱248,830	(₱626,394)	₱13,959	₱158,003,813	₱3,219,143	₱161,222,956
Total comprehensive income (loss) for the year	—	—	—	11,532,318	(5,255,538)	502,122	811,051	—	762,490	—	8,352,443	343,580	8,696,023
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	(218,198)	218,198	—	—	—	—	—	—	—	—	—
Declaration of dividends by subsidiaries to non-controlling interests	—	—	—	—	—	—	—	—	—	—	—	(13,345)	(13,345)
Balance at December 31, 2022	₱61,030,594	₱32,116,560	₱4,929,242	₱73,748,748	(₱5,959,275)	(₱2,222,945)	₱2,314,447	₱248,830	₱136,096	₱13,959	₱166,356,256	₱3,549,378	₱169,905,634



Parent Company

	Capital Stock (Note 25)	Capital Paid in Excess of Par Value (Note 25)	Surplus Reserves (Notes 10, 25 and 32)	Surplus (Note 25)	Net Unrealized Gains (Losses) on Financial Assets at FVOCI (Notes 9 and 33)	Remeasurement Losses on Retirement Plan (Note 28)	Accumulated Translation Adjustment (Note 25)	Other Equity Reserves (Notes 12 and 25)	Share in Aggregate Reserves (Losses) on Life Insurance Policies (Note 12)	Total Equity
Balance at January 1, 2024	₱61,030,594	₱32,106,560	₱4,677,930	₱92,174,169	(₱1,722,653)	(₱2,728,542)	₱1,999,668	₱390,517	₱24,246	₱187,952,489
Total comprehensive income (loss) for the year	—	—	—	21,036,661	2,766,656	73,324	358,176	—	(3,037)	24,231,780
Share swap transaction (Notes 9 and 25)	—	—	—	894,900	(894,900)	—	—	940,173	—	940,173
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	289,107	(289,107)	—	—	—	—	—	—
Sale of FVOCI equity securities	—	—	—	6,969	(6,969)	—	—	—	—	—
Balance at December 31, 2024	₱61,030,594	₱32,106,560	₱4,967,037	₱113,823,592	₱142,134	(₱2,655,218)	₱2,357,844	₱1,330,690	₱21,209	₱213,124,442
Balance at January 1, 2023	₱61,030,594	₱32,106,560	₱4,929,242	₱73,919,909	(₱5,959,275)	(₱2,222,945)	₱2,314,447	₱390,517	₱136,096	₱166,645,145
Total comprehensive income (loss) for the year	—	—	—	18,002,948	4,236,622	(505,597)	(314,779)	—	(111,850)	21,307,344
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	(251,312)	251,312	—	—	—	—	—	—
Balance at December 31, 2023	₱61,030,594	₱32,106,560	₱4,677,930	₱92,174,169	(₱1,722,653)	(₱2,728,542)	₱1,999,668	₱390,517	₱24,246	₱187,952,489
Balance at January 1, 2022	₱61,030,594	₱32,106,560	₱5,147,440	₱62,169,393	(₱703,737)	(₱2,725,067)	₱1,503,396	₱390,517	(₱626,394)	₱158,292,702
Total comprehensive income (loss) for the year	—	—	—	11,532,318	(5,255,538)	502,122	811,051	—	762,490	8,352,443
Transfer to surplus reserves (Notes 10, 25 and 32)	—	—	(218,198)	218,198	—	—	—	—	—	—
Balance at December 31, 2022	₱61,030,594	₱32,106,560	₱4,929,242	₱73,919,909	(₱5,959,275)	(₱2,222,945)	₱2,314,447	₱390,517	₱136,096	₱166,645,145

See accompanying Notes to Financial Statements.



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

(In Thousands)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱26,277,697	₱21,973,195	₱16,515,216	₱25,932,834	₱21,850,916	₱16,216,343
Adjustments for:						
Provision for impairment, credit and other losses (Note 16)	3,868,111	5,923,054	7,198,117	3,782,256	5,700,264	7,305,653
Net gains on sale or exchange of assets (Note 26)	(1,995,042)	(4,541,567)	(7,775,154)	(1,991,310)	(4,621,894)	(7,770,001)
Depreciation and amortization (Note 11)	3,659,014	3,976,069	4,225,746	3,548,348	3,720,234	3,909,420
Amortization of discount on investment securities	(4,084,207)	(2,888,201)	(935,770)	(4,078,854)	(2,891,341)	(936,131)
Impairment in value of goodwill (Note 14)	—	1,036,567	—	—	1,036,567	—
Unrealized foreign exchange losses (gains) on bonds, bills and acceptances payable	1,520,650	(209,842)	6,502,018	1,520,650	(209,842)	6,491,373
Net losses (gains) on financial assets at FVTPL (Note 9)	(647,529)	(399,339)	211,235	(646,118)	(400,113)	208,211
Equity in net losses (earnings) of subsidiaries and an associate (Note 12)	(419,505)	(268,093)	56,060	(831,256)	(560,393)	(747,341)
Amortization of transaction costs on borrowings (Notes 17 and 21)	55,568	90,011	105,480	55,568	90,011	105,480
Net losses (gains) on financial assets at FVOCI and investment securities at amortized cost (Note 9)	(51)	5,236	1,069,548	—	5,358	1,069,548
Accretion to interest income of loss on loan modifications	—	—	(369,152)	—	—	(369,152)
Changes in operating assets and liabilities:						
Decrease (increase) in amounts of:						
Interbank loan receivable (Note 8)	1,753,121	1,828,975	(4,854,939)	1,767,496	2,407,631	(4,656,651)
Financial assets at FVTPL	(6,756,591)	(2,770,324)	3,609,221	(6,760,765)	(2,767,461)	3,606,381
Loans and receivables	(25,952,926)	(32,170,920)	4,448,687	(25,991,600)	(32,262,933)	4,995,515
Other assets	(3,692,159)	(2,608,270)	(243,158)	(4,350,333)	(2,505,688)	(1,340,408)
Increase (decrease) in amounts of:						
Financial liabilities at FVTPL	368,241	(483,965)	148,245	365,882	(483,965)	148,430
Deposit liabilities	51,906,002	56,719,665	(23,726,210)	52,667,865	56,128,172	(32,924,438)
Accrued taxes, interest and other expenses	(1,484,782)	1,435,027	1,518,737	(1,323,623)	1,623,234	1,139,793
Other liabilities	3,424,027	(1,584,110)	616,446	3,572,811	(1,053,706)	1,084,236
Net cash generated from (used in) operations	47,799,639	45,063,168	8,320,373	47,239,851	44,805,051	(2,463,739)
Income taxes paid	(4,143,625)	(3,919,287)	(2,050,109)	(3,989,317)	(3,826,112)	(1,802,246)
Net cash provided by (used in) operating activities	43,656,014	41,143,881	6,270,264	43,250,534	40,978,939	(4,265,985)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from:						
Disposal/maturities of financial assets at FVOCI	766,333,935	562,251,372	643,902,197	765,428,317	561,071,652	643,888,779
Maturities/early redemptions of investment securities at amortized cost	33,710,884	64,078,361	141,160,199	33,622,909	61,007,188	141,171,532
Disposal of investment properties	1,902,551	5,113,184	6,844,641	1,896,842	4,874,843	6,842,374
Disposal of property and equipment	166,638	1,295,493	108,253	147,322	1,022,920	32,546
Cash dividends from a subsidiary (Note 12)	—	—	—	—	448,900	1,092,000
Return of investment (Note 12)	122,500	—	—	122,500	—	7,500,000
Acquisitions of:						
Financial assets at FVOCI	(804,940,569)	(562,081,002)	(638,254,305)	(804,003,310)	(561,446,524)	(637,154,487)
Investment securities at amortized cost	(23,674,291)	(76,625,183)	(162,392,791)	(23,674,291)	(73,223,330)	(162,392,791)
Software cost (Note 14)	(946,940)	(598,969)	(881,572)	(943,546)	(597,165)	(848,426)
Property and equipment (Note 11)	(445,446)	(419,859)	(547,083)	(435,986)	(407,645)	(535,981)
Additional investments in an associate (Note 12)	—	—	(392,000)	—	—	(392,000)
Net cash used in investing activities	(27,770,738)	(6,986,603)	(10,452,461)	(27,839,243)	(7,249,161)	(796,454)

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES						
Settlement of bills and acceptances payable	(P209,254,316)	(P136,027,137)	(P277,002,294)	(P209,254,316)	(P134,014,712)	(P274,908,050)
Proceeds from issuances of bills and acceptances payable	209,632,516	140,964,503	237,506,670	209,632,516	140,044,415	236,171,512
Payment of principal portion of lease liabilities (Note 29)	(1,127,583)	(1,314,516)	(1,113,225)	(1,052,523)	(1,232,928)	(1,068,038)
Settlement of LTNCD (Note 17)	(8,220,000)	—	—	(8,220,000)	—	—
Proceeds from issuance of bonds payable (Note 21)	17,303,959	—	—	17,303,959	—	—
Settlement of bonds payable (Note 21)	(43,383,750)	(16,560,000)	—	(43,383,750)	(16,560,000)	—
Net cash used in financing activities	(35,049,174)	(12,937,150)	(40,608,849)	(34,974,114)	(11,763,225)	(39,804,576)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	(19,163,898)	21,220,128	(44,791,046)	(19,562,823)	21,966,553	(44,867,015)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	21,151,391	22,217,915	27,552,773	21,052,526	22,103,095	27,454,459
Due from Bangko Sentral ng Pilipinas	95,410,350	94,701,360	161,001,912	95,410,350	94,701,360	161,001,912
Due from other banks	21,243,856	26,010,183	27,222,083	13,626,624	17,599,374	19,324,000
Interbank loans receivable (Note 8)	30,955,766	9,782,452	30,453,378	29,934,920	8,824,713	29,042,376
Securities held under agreements to resell	69,694,538	64,523,863	15,796,673	69,694,538	64,523,863	15,796,673
	238,455,901	217,235,773	262,026,819	229,718,958	207,752,405	252,619,420
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	20,638,033	21,151,391	22,217,915	20,522,258	21,052,526	22,103,095
Due from Bangko Sentral ng Pilipinas	55,128,316	95,410,350	94,701,360	55,128,316	95,410,350	94,701,360
Due from other banks	20,183,894	21,243,856	26,010,183	11,478,178	13,626,624	17,599,374
Interbank loans receivable (Note 8)	19,861,641	30,955,766	9,782,452	19,547,264	29,934,920	8,824,713
Securities held under agreements to resell	103,480,119	69,694,538	64,523,863	103,480,119	69,694,538	64,523,863
	P219,292,003	P238,455,901	P217,235,773	P210,156,135	P229,718,958	P207,752,405
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS						
Interest paid	P18,168,830	P13,298,198	P7,312,461	P18,120,709	P13,269,068	P7,256,130
Interest received	62,770,452	55,438,281	43,082,036	61,559,767	54,445,224	42,297,774
Dividends received	—	—	—	—	448,900	1,092,000

See accompanying Notes to Financial Statements.



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

(Amounts in Thousand Pesos except When Otherwise Indicated)

1. Corporate Information

Philippine National Bank (PNB or the Parent Company) is a universal bank established in the Philippines in 1916. On June 21, 1989, PNB's shares were listed with the Philippine Stock Exchange (PSE). As of December 31, 2024 and 2023, the shares of PNB are held by the following:

	2024	2023
LT Group, Inc. (LTG) (indirect ownership through its various holding companies)	59.83%	59.83%
PCD Nominee Corporation*	14.35%	14.44%
Other stockholders owning less than 10% each	25.82%	25.73%
	100.00%	100.00%

* Acts as a trustee-nominee for PNB shares lodged under the PCD system

PNB's immediate parent company, LTG, and ultimate parent company, Tangent Holdings Corporation, are also incorporated in the Philippines.

The Parent Company provides a full range of banking and other financial services, which include deposit-taking, lending, bills discounting, trade finance, foreign exchange dealings, treasury operations, wealth management, fund transfers, remittance and trust services. The Parent Company operates through its 631 domestic branches as of December 31, 2024 and 2023, as it continues to streamline its physical branch network through consolidation and expand customer reach via its digital channels. As of the same dates, the Parent Company has 71 overseas branches, representative offices, remittance centers and subsidiaries in 17 locations in Asia, North America and Europe.

The subsidiaries of the Parent Company are engaged in a number of diversified financial and related businesses such as remittance, banking, investment banking, leasing, stock brokerage and/or related services. The Parent Company and the subsidiaries are collectively referred hereinto as the Group.

The principal place of business of the Parent Company is at PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City, Metro Manila, Philippines.

2. Summary of Material Accounting Policies

2.1 Basis of Preparation of the Financial Statements

The Group prepared the accompanying financial statements on a historical cost basis, except for the following accounts which are measured at fair value:

- financial assets and liabilities at fair value through profit or loss (FVTPL); and
- financial assets at fair value through other comprehensive income (FVOCI).

The financial statements of the Parent Company which include its Head Office in Pasay City, Philippines, and all of its domestic and foreign branches, reflect the accounts maintained in its Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine pesos (₱ or PHP) and United States Dollar (USD), respectively. The individual financial statements of these units are combined and any inter-unit accounts and transactions are eliminated. The presentation currency is the PHP.



The Group presents the amounts in the financial statements to the nearest thousand pesos (P000), unless otherwise stated.

2.2 Statement of Compliance

The Group prepared these financial statements in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include all applicable PFRS Accounting Standards, Philippine Accounting Standards (PAS) and interpretations as approved by the Financial Reporting Standards Council (FRSC) and adopted by the Philippine Securities and Exchange Commission (SEC).

2.3 Presentation of the Financial Statements

The Group presents the statements of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 24.

The Group generally presents financial assets and financial liabilities at their gross amounts in the statement of financial position, unless the offsetting criteria under PFRS Accounting Standards are met. The Group does not also set off items of income and expenses, unless offsetting is required or permitted by PFRS Accounting Standards, or is specifically disclosed in the Group's accounting policies.

The Group presents its consolidated financial statements and parent company financial statements side-by-side to comply with the requirements of the Bangko Sentral ng Pilipinas (BSP).

2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries. The financial statements of the subsidiaries are prepared on the same reporting period as the Parent Company using consistent accounting policies. In the consolidation, the Group eliminates in full all significant intra-group balances, transactions, and results of intra-group transactions.

The Group consolidates its subsidiaries from the date on which the Group obtains control over the subsidiary (see definition of 'control' in 2.12 *Investments in Subsidiaries, Associates and Joint Ventures*). For partially-owned subsidiaries, the Group attributes the subsidiary's income, expenses and components of other comprehensive income (OCI) to the equity holders of the Parent Company and to the non-controlling interests (NCI), even if this results in deficit balances of the NCI. NCI represents the portion of profit or loss and the net assets not held by the Group, which are presented separately in the consolidated financial statements. NCI consists of the amount attributed to such interest from the date of business combination and its share in any changes in equity of the subsidiary.

When the Group's ownership interest in a subsidiary changes but does not result in a loss of control, the Group adjusts the carrying amounts of the controlling interests and the NCI to their new relative interests in the subsidiary. The Group recognizes any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received directly in equity as 'Other equity reserves', which is attributed to the owners of the Parent Company.



Consolidation of a subsidiary ceases when the Group loses control over the subsidiary. In such circumstances, the Group derecognizes the assets (including goodwill), liabilities, NCI, and other components of equity of the subsidiary, and recognizes the consideration received and any investment retained at their fair values. The Group records any resulting difference in the statement of income as ‘Gain on loss of control of subsidiaries - net’.

2.5 Foreign Currency Translation

For financial reporting purposes, the Group translates all accounts in the FCDU books and foreign currency-denominated accounts in the RBU books into their equivalents in Philippine pesos. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements are measured using that functional currency.

2.5.1 Transactions and Balances

As at reporting date, the Group translates the following foreign currency-denominated accounts in the RBU in Philippine peso using:

Financial statement accounts in RBU	Exchange rate
Monetary assets and liabilities	Bankers Association of the Philippines (BAP) closing rate at end of year
Income and expenses	Rate prevailing at transaction date
Non-monetary items measured at historical cost in a foreign currency	Rate at the date of initial transaction
Non-monetary items measured at fair value in a foreign currency	Rate at the date when fair value is determined

The Group recognizes in the statement of income any foreign exchange differences arising from revaluation of monetary assets and liabilities. For non-monetary items measured at fair values, the Group recognizes any foreign exchange differences arising from revaluation in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

2.5.2 FCDU and Overseas Branches and Subsidiaries

As at the reporting date, the Group translates the assets and liabilities of the FCDU and overseas branches and subsidiaries in Philippine peso at the BAP closing rate prevailing at the reporting date, and their income and expenses at the average exchange rate for the year. Foreign exchange differences arising on translation are taken directly to OCI under ‘Accumulated translation adjustment’. Upon disposal of a foreign entity or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in OCI relating to the particular foreign operation is recognized in the statement of income.

2.6 Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new pronouncements effective as at January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements.



- 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 the 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; and
 - 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 PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*
The amendments clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments 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.
- 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.

2.7 Business Combinations

The Group accounts for business combinations using the acquisition method. Under this method, the Group measures the acquisition cost as the aggregate of the acquisition-date fair value of the consideration transferred and any amount of NCI in the acquiree. The Group then allocates that cost to the acquired identifiable assets and liabilities based on their respective fair values. Any excess acquisition cost over the fair value of the net assets acquired is allocated to goodwill (see related accounting policy under 2.13.3 *Intangible Assets*). If the fair value of the net assets acquired exceeds the acquisition cost, the gain is recognized in the statement of income. The Group recognizes any acquisition-related costs as administrative expenses as they are incurred. The Group also recognizes any contingent consideration to be transferred by the acquirer at its fair value at the acquisition date.

In business combinations involving entities under common control, the Group determines whether or not the business combination has commercial substance. When there is commercial substance, the Group accounts for the transaction using the acquisition method as discussed above. Otherwise, the Group accounts for the transaction similar to a pooling of interests (i.e., the assets and liabilities of the acquired entities and that of the Group are reflected at their carrying values, and any resulting difference with the fair value of the consideration given is accounted for as an equity transaction).

2.8 Fair Value Measurement

Fair value is the price that the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value measurement is based on the presumption that these transactions take place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.



The principal or the most advantageous market must be accessible to the Group. The Group measures the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. If an asset or a liability measured at fair value has both bid and ask prices, the Group uses the price within the bid-ask spread, which is the most representative of fair value in the circumstances.

For nonfinancial assets, the Group measures their fair value considering a market participant's ability to generate economic benefits by using an asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described in Note 5, based on the lowest level input that is significant to the fair value measurement as a whole.

2.9 'Day 1' Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income, except when transactions involve parties under common control. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount. 'Day 1' difference arising from transactions involving parties under common control are accounted for as equity transactions.

2.10 Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items (COCI), amounts due from BSP and other banks, interbank loans receivable and securities held under agreements to resell that are convertible to known amounts of cash, with original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in fair value. Due from BSP includes statutory reserves required by the BSP, which the Group considers as cash equivalents wherein drawings can be made to meet cash requirements.

2.11 Financial Instruments

2.11.1 Initial Recognition of Financial Instruments

The Group recognizes purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace on settlement date (i.e., the date that an asset is delivered to or by the Group), while derivatives are recognized on trade date (i.e., the date that the Group commits to purchase or sell). The Group recognizes deposits, amounts due to banks and customers and loans when cash is received by the Group or advanced to the borrowers.



All financial instruments are initially recognized at fair value. Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

2.11.2 Classification and Subsequent Measurement of Financial Instruments

The Group classifies and measures financial assets at FVTPL unless these are measured at FVOCI or at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing those financial assets.

The Group first assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test ('solely payments of principal and interest' or SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, 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. In contrast, contractual terms that introduce a more than insignificant 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 SPPI. In such cases, the financial asset is required to be measured at FVTPL. Only financial assets that pass the SPPI test are eligible to be measured at FVOCI or at amortized cost.

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. 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.

For financial liabilities, the Group classifies them as either financial liabilities at FVTPL or financial liabilities at amortized cost.

Financial assets at FVTPL

Financial assets at FVTPL include the following:

- Financial assets held for trading – those acquired for the purpose of selling or repurchasing in the near term;
- Derivative instruments – contracts entered into by the Group (such as currency forwards, currency swaps, interest rate swaps and warrants) as a service to customers and as a means of reducing or managing their respective financial risk exposures, as well as for trading purposes;
- Financial assets that are not SPPI, irrespective of the business model; or
- Debt financial assets designated upon initial recognition at FVTPL – those assets where the Group applied the fair value option at initial recognition if doing so eliminates or significantly reduces an accounting mismatch

The Group carries financial assets at FVTPL in the statement of financial position at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The Group recognizes any gains or losses arising from changes in fair values of financial assets at FVTPL directly in the statement of income under 'Trading and investment securities gains (losses) - net', except for currency forwards and currency swaps, where fair value changes are included under 'Foreign exchange gains - net'.



Financial assets at FVOCI

Financial assets at FVOCI include debt and equity securities, which are subsequently measured at fair value. The Group recognizes the unrealized gains and losses arising from the fair valuation of financial assets at FVOCI, net of tax, in the statement of comprehensive income as 'Net change in unrealized gain (loss) on financial assets at FVOCI'.

Debt securities at FVOCI are those that meet both of the following conditions:

- the asset is held within a business model whose objective is to hold the financial asset in order to both collect contractual cash flows and sell the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

The Group reports the effective yield component of debt securities at FVOCI, as well as the impact of restatement on foreign currency-denominated debt securities at FVOCI, in the statement of income. When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in OCI is recognized as 'Trading and investment securities gain (loss) - net' in the statement of income. The Group recognizes the expected credit losses (ECL) arising from impairment of such financial assets in OCI with a corresponding charge to 'Provision for impairment, credit and other losses' in the statement of income (see related accounting policy under *2.11.5 Impairment of Financial Assets*).

Equity securities designated at FVOCI are those that the Group made an irrevocable election at initial recognition to present in OCI the subsequent changes in fair value. The Group recognizes the dividends earned on holding the equity securities at FVOCI in the statement of income when the right to payment has been established. Gains and losses on disposal of these equity securities at FVOCI are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the OCI is reclassified to 'Surplus' or any other appropriate equity account upon disposal. The Group does not subject equity securities at FVOCI to impairment assessment.

Financial assets at amortized cost

Financial assets at amortized cost are debt financial assets that meet both of the following conditions:

- the asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

This accounting policy relates to the statement of financial position captions 'Due from Bangko Sentral ng Pilipinas', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', 'Investment securities at amortized cost', and 'Loans and receivables'.

The Group subsequently measures financial assets at amortized cost using the effective interest method of amortization, less allowance for credit losses. The Group includes the amortization in 'Interest income', and the ECL arising from impairment of such financial assets in 'Provision for impairment, credit and other losses' in the statement of income (see related accounting policy under *2.11.5 Impairment of Financial Assets*).



Financial liabilities at FVTPL

These are recorded in the statements of financial position at fair value with changes in fair value recognized in 'Trading and securities gain/(loss) - net', with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in OCI and do not get recycled to the statement of income. Interest incurred is accrued in 'Interest expense' using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of the instrument.

Financial liabilities at amortized cost

The Group classifies issued financial instruments or their components which are not designated at FVTPL, as financial liabilities at amortized cost under 'Deposit liabilities', 'Bills and acceptances payable', 'Bonds payable' or other appropriate financial liability accounts. The substance of the contractual arrangement for these instruments results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

The Group capitalizes the costs incurred in connection with the issuance of debt securities (other than those designated at FVTPL) and amortizes over the terms of the instruments using the effective interest method. The Group includes any unamortized debt issuance costs in the carrying value of the related debt instruments in the statement of financial position.

The Group subsequently measures financial liabilities at amortized cost using the effective interest method of amortization.

Repurchase and reverse repurchase agreements

The Group does not derecognize from the statement of financial position securities sold under agreements to repurchase at a specified future date ('repos'). Instead, the Group recognizes the corresponding cash received, including accrued interest, as a loan to the Group, reflecting the economic substance of such transaction.

Conversely, the Group does not recognize securities purchased under agreements to resell at a specified future date ('reverse repos'). The Group is not permitted to sell or repledge the securities in the absence of default by the owner of the collateral. The Group recognizes the corresponding cash paid, including accrued interest, as a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the effective interest method.

2.11.3 Reclassification of Financial Instruments

Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in the business models for managing these financial assets. Reclassification of financial liabilities is not allowed.



2.11.4 Derecognition of Financial Instruments

Financial Assets

The Group derecognizes a financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) when:

- the rights to receive cash flows from the asset have expired;
- 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 risk and rewards of the asset but has transferred control over 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 over the asset, the Group recognizes the asset only to the extent of its continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing recovery. If a write-off is later recovered, any amounts formerly charged are credited to 'Recoveries' under 'Miscellaneous Income' in the statements of income.

Financial liabilities

The Group derecognizes a financial liability when the obligation under the liability is discharged or 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, the Group treats such an exchange or modification as a derecognition of the original liability and recognition of a new liability, and Group recognizes the difference in the respective carrying amounts in the statement of income.

2.11.5 Impairment of Financial Assets

ECL methodology

The Group's loss impairment method on financial instruments applies a forward-looking ECL approach, which covers all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts. The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk (SICR) of the financial instrument since origination (12-month ECL). Otherwise, if an SICR is observed, then the Group extends its ECL estimation until the end of the life of the financial instrument (Lifetime ECL). Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.



Staging assessment

The Group categorizes financial instruments subject to the ECL methodology into three stages:

- Stage 1 – comprised of all non-impaired financial instruments which have not experienced an SICR since initial recognition. The Group recognizes 12-month ECL for Stage 1 financial instruments.
- Stage 2 – comprised of all non-impaired financial instruments which have experienced an SICR since initial recognition. The Group recognizes Lifetime ECL for Stage 2 financial instruments.
- Stage 3 – comprised of financial instruments which have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on their estimated future cash flows. The Group recognizes Lifetime ECL for Stage 3 (credit-impaired) financial instruments.

Definition of “default” and “cure”

The Group considers default to have occurred when:

- the obligor is past due for more than 90 days on any material credit obligation to the Group; or
- the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing collateral, as applicable.

The Group no longer considers an instrument to be in default when it no longer meets any of the default criteria and has exhibited satisfactory and acceptable track record for six consecutive payment periods, subject to applicable rules and regulations of the BSP.

Determining SICR

At each reporting date, the Group assesses whether the credit risk on a loan or credit exposure has increased significantly since initial recognition. The Group’s assessment of SICR involves looking at both the qualitative and quantitative elements, as well as if the loan or credit exposure is unpaid for at least 30 days (“backstop”).

The Group assesses SICR on loans or credit exposures having potential credit weaknesses based on current and/or forward-looking information that warrant management’s close attention. Such weaknesses, if left uncorrected, may affect the repayment of these exposures. The loan or credit exposure also exhibits SICR if there are adverse or foreseen adverse economic or market conditions that may affect the counterparty’s ability to meet the scheduled repayments in the future.

The Group looks at the quantitative element through statistical models or credit ratings process or scoring process that captures certain information, which the Group considers as relevant in assessing changes in credit risk. The Group also looks at the number of notches downgrade of credit risk rating (CRR) or certain thresholds for the probabilities of default being generated from statistical models to determine whether SICR has occurred subsequent to initial recognition date.

Transfer between stages

The Group transfers credit exposures from Stage 1 to Stage 2 if there is an SICR from initial recognition date. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer an SICR since initial recognition, then the Group reverts them to Stage 1.

The Group transfers credit exposures from Stage 3 (non-performing) to Stage 1 (performing) when there is sufficient evidence to support their full collection. Such exposures should exhibit both of the following indicators:

- quantitative – characterized by payments made within an observation period; and
- qualitative – pertain to the results of assessment of the borrower’s financial capacity.



Generally, the Group considers that full collection is probable when payments of interest and/or principal are received for at least six months.

Modified or restructured loans and other credit exposures

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule, which may be provided depending on the borrower's current or expected financial difficulties. Modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date and schedule of periodic payments.

If modifications are considered by the Group as substantial based on qualitative factors, the loan is derecognized as discussed under 2.11.4 *Derecognition of Financial Instruments*.

If a loan or credit exposure has been renegotiated or modified without resulting in derecognition, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded, based on the change in cash flows discounted at the loan's original effective interest rate (EIR). The Group also assesses whether there has been a SICR by comparing the risk of default at reporting date based on modified terms, and the risk of default at initial recognition date based on original terms. Derecognition decisions and classification between Stages 2 and 3 are determined on a case-by-case basis.

Purchased or originated credit-impaired loans

The Group considers a loan as credit-impaired on purchase or origination if there is evidence of impairment at the time of initial recognition (i.e., acquired/purchased at a deep discounted price). The Group recognizes the cumulative changes in Lifetime ECL since initial recognition as a loss allowance for purchased or originated credit-impaired loan.

Measurement of ECL

ECLs are generally measured based on the risk of default over one of two different time horizons, depending on whether there has been SICR since initial recognition. ECL calculations are based on the following components:

- Probability of default (PD) – an estimate of the likelihood that a borrower will default on its obligations over the next 12 months for Stage 1 or over the remaining life of the credit exposure for Stages 2 and 3.
- Loss-given-default (LGD) – an estimate of the loss arising in case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from any collateral.
- Exposure-at-default (EAD) – an estimate of the exposure at a future/default date taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdown on committed facilities and accrued interest from missed payments.
- Discount rate – represents the rate to be used to discount an expected loss to present value at the reporting date using the original EIR determined at initial recognition.

In measuring ECL, the Group considers forward-looking information depending on the credit exposure. The Group applies experienced credit judgment, which is essential in assessing the soundness of forward-looking information and in ensuring that these are adequately supported. Forward-looking macroeconomic information and scenarios consider:

- factors that may affect the general economic or market conditions in which the Group operates, such as gross domestic product growth rates, foreign exchange rates, inflation rate, among others;
- changes in government policies, rules and regulations, such as adjustments to policy rates;



- other factors pertinent to the Group, including the proper identification and mitigation of risks such as incidences of loan defaults or losses.

The Group also measures ECL by evaluating a range of possible outcomes and using reasonable and supportable pieces of information that are available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

2.11.6 Financial Guarantees and Undrawn Loan Commitments

The Group gives loan commitments and financial guarantees consisting of letters of credit, letters of guarantees, and acceptances.

Financial guarantees are contracts that require the Group as issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. The Group initially recognizes financial guarantees on trade receivables at fair value under 'Bills and acceptances payable' or 'Other liabilities' in the statement of financial position. Subsequent to initial recognition, the Group measures these financial guarantees at the higher of:

- the initial fair value less any cumulative amount of income or amortization recognized in the statement of income; and
- the ECL determined under PFRS 9.

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Group is required 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 statement of financial position.

The Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and loan commitments without outstanding drawn amounts is recognized in 'Allowance for credit losses' under 'Loans and receivables'.

2.12 Investments in Subsidiaries, Associates and Joint Ventures

The Group's subsidiaries pertain to investees where the Group demonstrates control. The Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., those existing rights that give the Group 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.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, such as contractual arrangements with other voting shareholders of the investee, rights arising from other contractual arrangements, or any potential voting rights of the Group.

The Group's associate pertains to the investee over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The Group's joint venture pertains to joint arrangements



whereby the Group and other parties have joint control of the arrangement and have rights to the net assets of the arrangement.

The Group accounts for its investments in subsidiaries, associates and joint venture under the equity method of accounting. Under this method, the Group carries the investment in the statement of financial position at cost plus post-acquisition changes in the share in the net assets of the investee less accumulated impairment losses, if any (see related accounting policy under 2.13.5 *Impairment of Nonfinancial Assets*). The Group reflects its share in the results of operations of the investee and any impairment losses in the statement of income. When there has been a change recognized in the investee's OCI, the Group recognizes its share in any changes and discloses this in the statement of comprehensive income. The Group eliminates any profits or losses arising from transactions between the Group and the investee to the extent of the interest of the Group in the investee. Once the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the related OCI recorded in equity and recycles the same to statement of income or 'Surplus';
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the statement of income; and
- Reclassifies the Parent Company's share of components' gains (losses) previously recognized in OCI to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Upon loss of control over a subsidiary or significant influence over an associate, the Group measures and recognizes any retained investment at its fair value. Any resulting difference between the aggregate of the investee's carrying amount upon disposal and the fair value of the retained investment, and proceeds from disposal is recognized in the statement of income.

For transactions where ownership interest in a subsidiary, associate or joint venture that did not result in a loss of control or significant influence, as applicable, the Parent Company recognizes the gain or loss in the profit and loss representing the difference between the proceeds from sale and the carrying value of the investment.

2.13 Other Nonfinancial Assets

2.13.1 Property and Equipment

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use (see related accounting policy under 2.16.5 *Expenditures on Nonfinancial Assets*).

The Group carries its land at cost less any impairment in value, and its depreciable properties such as buildings, right-of-use assets, furniture, fixtures and equipment, long-term leasehold land, and leasehold improvements at cost less accumulated depreciation and amortization and any impairment in value (see related accounting policy under 2.13.5 *Impairment of Nonfinancial Assets*).



For right-of-use assets included under 'Property and equipment', see related accounting policy under *2.18.1 Group as a Lessee Under Lease Contracts*.

2.13.2 Investment Properties and Chattel Mortgage Properties

The Group initially measures investment properties and chattel mortgage properties initially at cost, including transaction costs (see related accounting policy under *2.16.5 Expenditures on Nonfinancial Assets*). When the investment property or chattel mortgage property is acquired through an exchange transaction, the Group measures the asset at its fair value, unless the fair value of such an asset cannot be reliably measured in which case the asset acquired is measured at the carrying amount of asset given up. The Group recognizes any gain or loss on exchange in the statement of income under 'Net gains (losses) on sale or exchange of assets'.

Foreclosed properties are classified under 'Investment properties' upon:

- entry of judgment in case of judicial foreclosure;
- execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or
- notarization of the Deed of Dacion in case of payment in kind (dacion en pago).

Subsequent to initial recognition, the Group carries the investment properties and chattel mortgage properties at cost less accumulated depreciation (for depreciable properties) and any impairment in value (see related accounting policy under *2.13.5 Impairment of Nonfinancial Assets*).

The Group transfers assets 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. Conversely, the Group transfers out of 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.

2.13.3 Intangible Assets

The Group initially measures separately acquired intangible assets at cost, and the intangible assets acquired in a business combination at their fair values at the date of acquisition. The Group does not capitalize internally generated intangibles, excluding capitalized development costs, and reflects in profit or loss the related expenditures in the period in which the expenditure is incurred.

Intangibles with finite lives

The Group capitalizes software costs, included in 'Intangible assets', on the basis of the cost incurred to acquire and bring to use the specific software (see related accounting policy under *2.16.5 Expenditures on Nonfinancial Assets*).

Customer relationship intangibles (CRI) and core deposits intangibles (CDI) are the intangible assets acquired by the Group through business combination. The Group initially measures these intangible assets at their fair values at the date of acquisition. The fair value of these intangible assets reflects expectations about the probability that the expected future economic benefits embodied in the asset will flow to the Group.

Following initial recognition, intangibles with finite lives are measured at cost less accumulated amortization and any accumulated impairment losses (see related accounting policy under *2.13.5 Impairment of Nonfinancial Assets*).



Goodwill

The Group initially measures goodwill acquired in a business combination at cost. With respect to investments in an associate, the Group includes goodwill in the carrying amount of the investments. Goodwill is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances that the carrying value may be impaired (see related accounting policy under *2.13.5 Impairment of Nonfinancial Assets*).

2.13.4 Derecognition of Nonfinancial Assets

The Group derecognizes a nonfinancial asset when it has either been disposed of or when the asset is permanently withdrawn from use and no future benefit is expected from its disposal. The Group recognizes any gains or losses on the disposal of a nonfinancial asset in the statement of income under 'Net gains (losses) on sale or exchange of assets' in the period the asset is derecognized.

2.13.5 Impairment of Nonfinancial Assets

Property and equipment, investment properties, intangible assets with finite lives, chattel mortgage properties, and investments in subsidiaries and an associate

At each reporting date, the Group assesses whether there is any indication that its property and equipment, investment properties, intangible assets with finite lives, chattel mortgage properties, and investments in subsidiaries and an associate may be impaired. When an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use (VIU) 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 cash-generating unit (CGU) to which it belongs.

When the carrying amount of an asset exceeds its recoverable amount, the Group considers the asset as impaired and writes the asset down to its recoverable amount. In assessing VIU, the Group discounts the estimated future cash flows 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.

The Group charges the impairment loss against current operations. At each reporting date, the Group assesses whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount and reverses a previously recognized impairment loss 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. The reversal recognized in the statement of income cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. After such reversal, the Group adjusts the depreciation and amortization in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Goodwill

The Group performs its annual impairment test of goodwill every fourth quarter, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

The Group determines impairment for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated (or to the aggregate carrying amount of a group of CGUs to which the goodwill relates but cannot be allocated), the Group recognizes an impairment loss immediately in the statement of



income under 'Impairment in value of goodwill'. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

2.14 Equity

2.14.1 Capital Stock

The Group measures capital stock at par value for all shares issued and outstanding. When the shares are sold at a premium, the Group credits the difference between the proceeds and the par value to 'Capital paid in excess of par value'. 'Surplus' represents accumulated earnings (losses) of the Group less dividends declared.

2.14.2 Reserves Recorded in Equity

The reserves recorded in equity in the statement of financial position include:

- Remeasurement losses on retirement plan – pertains to the remeasurement comprising actuarial gains or losses on the present value of the defined benefit obligation, net of return on plan assets (see related accounting policy under *2.17.1 Retirement Under Defined Benefit Plan*).
- Accumulated translation adjustment – used to record exchange differences arising from the translation of the FCDU accounts and foreign operations (i.e., overseas branches and subsidiaries) to Philippine peso (see related accounting policy under *2.5.2 FCDU and Overseas Branches and Subsidiaries*).
- Net unrealized gains (losses) on financial assets at FVOCI – comprises changes in fair value of financial assets at FVOCI (see related accounting policy under *2.11.2 Classification and Subsequent Measurement of Financial Instruments*).

2.14.3 Dividends

The Group recognizes dividends on common shares as a liability and deduction against 'Surplus' when approved by the Board of Directors (BOD) of the Parent Company. The Group measures the liability to distribute dividends at the carrying amount of the dividends, except for distributions of non-cash assets where the Group measures the liability at the fair value of the assets to be distributed. At the end of each reporting period and at the date of settlement, the Group reviews and adjusts the carrying amount of the non-cash assets declared as dividends, with any changes in the carrying amount of the non-cash dividends recognized in equity as adjustments to the amount of distribution.

For dividends that are approved after the reporting date, the Group discloses them in the financial statements as an event after the reporting date.

2.14.4 Share Issuance Costs

For underwriting, share registration, and other share issuance costs and taxes incurred in connection with the issuance of equity securities, the Group accounts for these costs as reduction of equity against 'Capital paid in excess of par value'. If the 'Capital paid in excess of par value' is not sufficient, the share issuance costs are charged against the 'Surplus'. For transaction costs that relate jointly to the offering and listing of the shares, the Group allocates the costs to those transactions (i.e., reduction against equity for those allocated to offering of shares, and expensed for those allocated to listing of shares) using a basis of allocation that is rational and consistent with similar transactions.



2.15 Revenue Recognition

Revenue is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements except for brokerage transactions.

2.15.1 Interest Income

Interest on interest-bearing financial assets at FVTPL and held-for-trading investments is recognized based on contractual rate. Interest on financial instruments measured at amortized cost and FVOCI are recognized based on effective interest method of accounting to calculate the amortized cost of a financial asset or a financial liability and allocate the interest income or interest expense.

The Group records interest income using the 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. In calculating EIR, the Group considers all contractual terms of the financial instrument (for example, prepayment options), and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses. The Group adjusts the carrying amount of the financial instrument through 'Interest income' in the statement of income based on the original EIR.

When a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3, the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

The Group defers the commitment fees for loans that are likely to be drawn down (together with any incremental costs) and includes them as part of the EIR of the loan. These are amortized using EIR and recognized as 'Interest income' over the expected life of the loan.

The Group recognizes income on direct financing leases and receivables financed using the effective interest method and any unearned discounts are shown as deduction against 'Loans and receivables'. Unearned discounts are amortized over the term of the note or lease using the effective interest method and consist of:

- transaction and finance fees on finance leases and loans and receivables financed with long-term maturities; and
- excess of the aggregate lease rentals plus the estimated residual value of the leased equipment over its cost.

2.15.2 Service Fees and Commission Income

The Group earns fee and commission income from diverse range of services it provides to its customers:

Fees from services that are provided over a certain period of time

The Group accrues fees earned for the provision of services over a period of time. These fees include investment fund fees, custodian fees, fiduciary fees, credit-related fees, trust fees, portfolio and other management fees, and advisory fees.



Bancassurance fees

The Group recognizes non-refundable access fees on a straight-line basis over the term of the period of the provision of the access. Milestone fees or variable and fixed earn-out fees are recognized in reference to the stage of achievement of the milestones.

Fee income from providing transaction services

The Group recognizes the fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, only upon completion of the underlying transaction. For fees or components of fees that are linked to a certain performance, the Group recognizes revenue after fulfilling the corresponding criteria. These fees include underwriting fees, corporate finance fees, remittance fees, brokerage fees, commissions, deposit-related and other credit-related fees.

The Group recognizes loan syndication fees as revenue 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 the other participants.

2.15.3 Credit Card Fees

Interchange fees and revenue from rewards redeemed

The Group takes up as income the interchange fees under 'Service fees and commission income' upon receipt from member establishments of charges arising from credit availments by the Group's cardholders. These discounts are computed based on certain agreed rates and are deducted from amounts remitted to the member establishments.

The Group operates a loyalty points program which allows customers to accumulate points when they purchase from member establishments using the issued card of the Group. The points can then be redeemed for free products subject to a minimum number of points being redeemed.

The Group allocates a portion of the consideration received from discounts earned and interchange fees from credit cards to the reward points based on the estimated stand-alone selling prices. The Group defers the amount allocated to the loyalty program and recognizes revenue only when the loyalty points are redeemed or the likelihood of the credit cardholder redeeming the loyalty points becomes remote. The Group includes the deferred balance under 'Other liabilities' in the statement of financial position.

Commissions on credit cards

The Group recognizes commissions earned as revenue upon receipt from member establishments of charges arising from credit availments by credit cardholders. These commissions are computed based on certain agreed rates and are deducted from amounts remittable to member establishments.

Commissions on installment credit sales

The Group records the purchases by the credit cardholders, collectible on installment basis, at the cost of the items purchased plus certain percentage of cost. The Group recognizes the excess over cost as 'Unearned and other deferred income', which is shown as a deduction from 'Loans and receivables' in the statement of financial position. The Group amortizes and recognizes as 'Interest income' the unearned and other deferred income over the installment terms using the effective interest method.



2.15.4 Trading and Investment Securities Gains - Net

The Group recognizes in 'Trading and investment securities gains - net' the results arising from trading activities, all gains and losses from changes in fair value of financial assets and financial liabilities at FVTPL, and gains and losses from disposal of debt securities at FVOCI.

2.15.5 Gain on Sale or Exchange of Assets

The Group recognizes gain on sale or exchange of assets upon completion of the earning process upon transfer of control and when the collectability of the sales price is reasonably assured.

2.15.6 Other Income

Rental income

The Group accounts for rental income arising on leased properties on a straight-line basis over the lease terms, which is recorded in the statement of income under 'Miscellaneous income' (see related accounting policy under 2.18.2 *Group as a Lessor Under Lease Contracts*).

Dividend income

The Group recognizes dividend income when the Group's right to receive payment is established.

2.16 Expenditures

2.16.1 Borrowing Costs

The Group recognizes borrowing costs as 'Interest expense' in the year in which these costs are incurred. Borrowing costs consist of interest expense calculated using the effective interest method that the Group incurs in connection with deposit-taking activities and borrowing of funds.

2.16.2 Operating Expenses

This encompasses those expenses that arise in the course of the ordinary activities of the Group, as well as any losses incurred. These are recognized in the statement of income as they are incurred.

2.16.3 Taxes and Licenses

This includes all other taxes, local and national, including gross receipts taxes, documentary stamp taxes, real estate taxes, licenses and permit fees that are recognized when incurred.



2.16.4 Depreciation and Amortization

The Group computes for depreciation and amortization of depreciable assets using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives of the depreciable assets follow:

	Years
Property and equipment:	
Buildings	25 - 50
Right-of-use assets	1 - 25 or the lease term, whichever is shorter (provided that lease term is more than one year)
Furniture, fixtures and equipment	5
Long-term leasehold land	46 - 50
Leasehold improvements	10 or the lease term, whichever is shorter
Investment properties	10 - 25
Chattel mortgage properties	5
Intangible assets with finite lives:	
Software costs	5
CDI	10
CRI	3

The Group reviews periodically the useful life and the depreciation and amortization method to ensure that these are consistent with the expected pattern of economic benefits from the depreciable assets. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation and amortization period or method, as appropriate, and are treated as changes in accounting estimates.

2.16.5 Expenditures on Nonfinancial Assets

The Group charges against current operations the expenditures incurred after the nonfinancial assets (i.e., property and equipment, investment properties, software costs, and chattel mortgage properties) have been put into operation, such as repairs and maintenance. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of these nonfinancial assets beyond their originally assessed standard of performance, the Group capitalizes such expenditures as additional cost.

2.17 Employee Benefits

2.17.1 Retirement Under Defined Benefit Plan

At the end of the reporting period, the Group determines its net defined benefit liability (or asset) as the difference between the present value of the defined benefit obligation and the fair value of plan assets, adjusted for any effect of asset ceiling. 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 plan is actuarially determined using the projected unit credit method.



Defined benefit costs recognized in the statement of income consist of the following:

- service costs – include current service costs, past service costs (recognized when plan amendment or curtailment occurs) and gains or losses on non-routine settlements; and
- net interest on the net defined benefit liability or asset – pertains to 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 government bonds to the net defined benefit liability or asset.

Changes in the net defined benefit liability (or asset) also include 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 (or asset). The Group recognizes these remeasurements immediately in OCI in the period in which they arise. The Group does not reclassify these remeasurements to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies, and are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the Group estimates the fair value of plan assets 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 recognizes its right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation as a separate asset at fair value when and only when reimbursement is virtually certain.

2.17.2 Employee Leave Entitlement

The Group recognizes entitlements of employees to annual leave as a liability when they are accrued to the employees. The Group recognizes the undiscounted liability for leave expected to be settled wholly before 12 months after the end of the reporting period for services rendered by employees up to the end of the reporting period. For leave entitlements expected to be settled for more than 12 months after the reporting date, the Group engages an actuary to estimate the long-term liability, which is reported in 'Accrued taxes, interest and other expenses' in the statement of financial position.

2.18 Leases

The Group determines at contract inception whether a contract is, or contains, a lease by assessing whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.18.1 Group as a Lessee Under Lease Contracts

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 right-of-use assets representing the right to use the underlying assets and lease liabilities to make lease payments.

- Right-of-use assets
At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Group recognizes right-of-use assets measured at cost. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made



at or before the commencement date less any lease incentives received. Subsequent to initial recognition, the Group measures the right-of-use assets at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The Group presents the right-of-use assets in 'Property and equipment' and subjects it to impairment in line with the Group's policy on impairment of nonfinancial assets (see related accounting policy under 2.13.5 *Impairment of Nonfinancial Assets*).

- 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 discounted using the Group's incremental borrowing rate, which is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The lease payments include fixed payments, any variable lease payments that depend on an index or a rate, and any 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 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.

After the commencement date of the lease, the Group measures the lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities (recorded in 'Interest expense on bills payable and other borrowings'), reducing the carrying amount to reflect the lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option, and the leases of low-value assets recognition exemption to its leases of ATM offsite locations and other equipment that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense under 'Occupancy and equipment-related costs' on a straight-line basis over the lease term.

2.18.2 Group as a Lessor Under Lease Contracts

For finance leases where the Group transfers substantially all the risks and rewards incidental to ownership of the leased item, the Group recognizes a lease receivable in the statement of financial position at an amount equivalent to the net investment (asset cost) in the lease. The Group includes all income resulting from the receivable in 'Interest income on loans and receivables' in the statement of income.

The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

In operating leases where the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset, the Group recognizes rental income on a straight-line basis over the lease terms. The Group adds back the initial direct costs incurred in negotiating and arranging an operating lease to the carrying amount of the leased asset and recognizes them as rental income over the lease



term on the same basis. The Group recognizes contingent rents as revenue in the period in which they are earned.

2.19 Provisions

The Group recognizes provisions when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the Group recognizes the reimbursement as a separate asset but only when the reimbursement is virtually certain. The Group presents the expense relating to any provision in the statement of income, net of any reimbursement.

If the effect of the time value of money is material, the Group determines provisions 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. When discounting is used, the Group recognizes the increase in the provision due to the passage as 'Interest expense on bills payable and other borrowings'.

2.20 Contingencies

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of assets 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.

2.21 Income Taxes

Income tax on profit and loss for the year comprises current and deferred tax. Income tax is determined in accordance with tax laws and is recognized in the statement of income, except to the extent that it relates to items directly recognized in OCI.

2.21.1 Current Tax

The Group measures current tax assets and liabilities for the current periods at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted at the reporting date.

2.21.2 Deferred Tax

The Group provides for deferred tax using the balance sheet 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.

The Group recognizes deferred tax liabilities for all taxable temporary differences, including asset revaluations. The Group recognizes deferred tax assets for all deductible temporary differences, carryforward 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 income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized.

The Group, however, does not recognize deferred tax 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. The Group does not also provide deferred tax liabilities on non-taxable temporary differences associated with investments in domestic subsidiaries and an associate. With respect to investments in foreign subsidiaries, the Group does not recognize deferred tax liabilities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group reviews the carrying amount of deferred tax assets at each reporting date and reduces the recognized amount to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax asset to be utilized. The Group reassesses unrecognized deferred tax assets at each reporting date and recognizes amounts to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

The Group measures deferred tax assets and liabilities 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.

For current and deferred tax relating to items recognized directly in OCI, the Group recognizes them also in OCI and not in the statement of income.

In the consolidated financial statements, the Group offsets deferred tax assets and liabilities if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.

When tax treatments involve uncertainty, the Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. If the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, the Group reflects the effect of the uncertainty for each uncertain tax treatment using the method the Group expects to better predict the resolution of the uncertainty.

2.22 Earnings Per Share

The Group computes for the basic earnings per share (EPS) by dividing net income for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period, after giving retroactive effect to any bonus issue, share split or reverse share split during the period.

The Group computes for the diluted EPS by dividing the aggregate of net income for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period, adjusted for the effects of any dilutive shares.



2.23 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 and their subsidiaries and associates called affiliates;
- subsidiaries, joint ventures and associates and their respective subsidiaries; and
- post-employment benefit plans for the benefit of the Group's employees.

2.24 Events After the Reporting Date

The Group reflects in the financial statements any post-year-end event that provides additional information about the Group's position at the reporting date (adjusting event). The Group discloses post-year-end events that are not adjusting events, if any, when material to the financial statements.

2.25 Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Refer to Note 6 for the detailed disclosure on segment information.

2.26 Fiduciary Activities

The Group excludes from these financial statements the assets and income arising from fiduciary activities, together with related undertakings to return such assets to customers, where the Group acts in a fiduciary capacity such as nominee, trustee or agent.

2.27 Changes in Accounting Standards

Listed below are accounting standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on the 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.



On December 15, 2021, the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) 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 years after its effective date as decided by the International Accounting Standards Board (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.

Effective beginning on or after January 1, 2026

- 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
 - 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

- PFRS 10, *Consolidated Financial Statements*, and PAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments)

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 FSRSC postponed the original effective date of January 1, 2016 of the said amendments until the IASB has completed 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 compliance with PFRS Accounting Standards requires the Group to make judgments and estimates that affect the reported amounts and disclosures. The Group continually evaluates judgments and estimates and uses as basis its historical experience and other factors, including expectations of future events. The Group reflects the effects of any changes in estimates in the financial statements as they become reasonably determinable.

3.1 Judgments

3.1.1 Assessment of Control Over a Subsidiary

The Group demonstrates control over an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the following elements must all be present to exercise control over an investee:

- Power over the investee
 - Exposure, or rights, to variable returns from its involvement with the investee
 - The ability to use its power over the investee to affect the amount of the investor's returns
- The Group considers all facts and circumstances when assessing whether it controls an investee.

In making this assessment, the Group considers the following factors:

- The purpose and design of the investee
- What the relevant activities are and how decisions about those activities are made
- Whether the rights of the Group give it the current ability to direct the relevant activities
- Whether the Group is exposed, or has rights, to variable returns from its involvement with the investee
- Whether the Group has the ability to use its power over the investee to affect the amount of the investor's returns

The assessment of the Group on its control over a subsidiary is further discussed in Note 12.

3.1.2 Assessment of Significant Influence Over an Associate

The Group generally accounts for an investment as an associate when the Group holds 20% or more of the voting power of the investee company held directly or indirectly through subsidiaries, unless it can be clearly demonstrated that this is not the case.

In assessing whether the Group exercises significant influence over an investee company, the Group considers the following factors:

- Representation in the BOD or equivalent governing body of the investee company
- Participation in policy-making processes, including participation in decisions about dividends and other distributions
- Material transactions between the Group and the investee company
- Interchange of management personnel
- Provision of essential technical performance

The assessment of the Group on its significant influence over an investee company is further discussed in Note 12.



3.1.3 Classification of Financial Assets

The Group classifies its financial assets depending on the results of the SPPI test and on the business model used for managing those financial assets.

When performing the SPPI test, the Group applies judgment and evaluates relevant factors and characteristics such as the behavior and nature of contractual cash flows, its original currency denomination, the timing and frequency of interest rate repricing, contingent events that would alter the amount and/or timing of cash flows, leverage features, prepayment or extension options and other features that may modify the consideration for the time value of money.

As a second step, the Group performs business model assessment to reflect how financial assets are managed in order to generate net cash inflows based on the following factors:

- business objectives and strategies for holding the financial assets;
- performance measures and benchmarks being used to evaluate the Group's key management personnel accountable to the financial assets;
- risks associated to the financial assets and the tools applied in managing those risks;
- compensation structure of business units, including whether based on fair value changes of the investments managed or on the generated cash flows from transactions; and
- frequency and timing of disposals.

In applying judgment, the Group also considers the circumstances surrounding the transaction as well as the prudential requirements of the BSP.

3.1.4 Fair Valuation of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, the Group uses valuation techniques and mathematical models. The Group derives the inputs to these models from observable markets where possible, otherwise, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as correlation and volatility for longer-dated derivatives. For the valuation of nonmarketable unquoted equity securities, the Group considers a discount for lack of marketability, which is applied to the values determined by an independent valuation company (refer to Note 5 for the fair values of financial instruments).

3.1.5 Contingencies

The Group is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the outside legal counsels handling the Group's defense in these matters and is based upon an analysis of potential results. Management does not believe that the outcome of these matters will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to the proceedings (refer to Note 34).



3.2 Accounting Estimates

3.2.1 Credit Losses on Financial Assets

The Group's ECL calculations are mainly derived from outputs of complex statistical models and expert judgment, with a number of underlying assumptions regarding the choice of variable inputs as well as their independencies. The Group considers the following elements of the ECL models, among others, as significant accounting judgments and estimates:

- segmentation of the portfolio, where the appropriate ECL approach and/or model is used, including whether assessments should be done individually or collectively;
- quantitative and qualitative criteria for determining whether there has been SICR as at a given reporting date and the corresponding transfers between stages;
- determination of expected life of the financial asset and expected recoveries from defaulted accounts;
- development of ECL models, including the various formulas and the choice of inputs;
- determination of correlations and interdependencies between risk factors, macroeconomic scenarios and economic inputs, such as inflation, policy rates and collateral values, and the resulting impact to PDs, LGDs and EADs; and
- selection of forward-looking information and determination of probability-weightings to derive the ECL.

While the interest and inflation rates have already stabilized, other 'black swan' events (such as geopolitical tensions and extreme El Niño phenomenon and other climate conditions) may still potentially occur. In response to such potential risk, the Group reviews on a monthly basis its loan portfolio, particularly for accounts that have shown or are beginning to show increases in credit risk. The Group performs comprehensive review of the default profile of its accounts to determine if there are factors or indicators not captured in the risk rating model. If there are noted weaknesses in the model, where possible, the Group recalibrates the parameter estimates to the ECL models to incorporate internal default experience, as well as most recent available external data affecting each segment of the Group's loan portfolio.

The Group revisits the segmentation of its portfolio based on industry vulnerability and resiliency assessment. The Group also reassesses the framework for macroeconomic overlay, incorporating stress scenarios to ensure that changes in economic conditions are captured in the ECL calculations.

Refer to Note 16 for the details of the carrying values of financial assets subject to ECL and for the details of the ECL.

3.2.2 Recognition of Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the availability of future taxable income in reference to financial forecast and tax strategies. The Group takes into consideration the loan portfolio and deposit growth rates in assessing its taxable income forecast.

The Group reassesses its business plan, as well as tax strategies, in the next three to five years, considering various economic scenarios including recovery outlook and effects on specific industries of the rising interest rates, inflation, and other 'black swan' events (see further discussion of these events under 3.2.1 *Credit Losses on Financial Assets*).



Refer to Note 30.3 for the carrying amount of recognized and unrecognized deferred tax assets.

3.2.3 Impairment of Goodwill

The Group conducts an annual review for any impairment in the value of goodwill. Goodwill is written down for impairment where the recoverable amount is insufficient to support its carrying value. The recoverable amount of the CGU is determined based on a VIU calculation, which considers the present value of cash flow projections from financial budgets approved by senior management and BOD of the Parent Company covering a three-year period. The assumptions used in the calculation of VIU are sensitive to estimates of future cash flows from business, interest margins, discount rates, projected long-term growth rates (derived based on the forecast local gross domestic product) used to extrapolate cash flows beyond the budget period.

Estimating future earnings involves judgment which takes into account past and actual performance and expected developments in the respective markets and in the overall macro-economic environment. Similar with its considerations discussed under 3.2.2 *Recognition of Deferred Tax Assets*, the Group revisits its business plan and applies judgment to reassess the projections of future cash flows as of December 31, 2024, considering various economic scenarios and recovery outlook.

The carrying values of the Group's goodwill, accumulated impairment losses, and key assumptions used in determining VIU are disclosed in Note 14.3.

4. Financial Risk Management Objectives and Policies

The Parent Company's BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. As delegated by the BOD, the Risk Oversight Committee (ROC) is mandated to set risk appetite, approve frameworks, policies and processes for managing risk, and accept risks beyond the approval discretion provided to management. The ROC advises on the overall current and future risk appetite and strategy and assists in overseeing the implementation of those strategies and business plans by senior management. Details of the Parent Company's risk framework are discussed under the Risk Management Disclosure Section of the Parent Company's annual report.

The Group's activities are principally related to the development, delivery, servicing and use of lending and financial instruments. Risk is inherent in these activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability.

The Group defines material risks (at group level) as those risks from any business activity large enough to significantly threaten the Bank's capital position to drop below its desired level; resulting in either an increase in risk-weighted assets or a reduction in earnings and/or qualifying capital which translate into a reduction in CAR by 20 basis points (bps).

On the other hand, risks not significant enough to impact to the CAR by less than 20 bps will also be considered "material" by the Group if these fall under the following:

- Pillar 1 risks, i.e., Credit, Market, and Operational Risks;
- Other risks under BSP Cir. No. 510, i.e., Interest Rate Risk in the Banking Book (IRRBB), Liquidity Risk, Reputational Risk and Strategic Business Risk;
- Information Technology Risk (BSP Cir. No. 808);



- Information Security / Cyber Security Risk (BSP Cir. No. 982) and
- Further risks identified as “material” by the Board and Management Committees are included in the list being monitored such as Data Privacy Risk and Human Resource Risk.

Resulting from the assessments based on the premise identified above, the Bank agrees on and reviews on a regular basis the material risks that need focus using the three lines model. For the assessment period 2024-2026, these are based on the following eleven (11) material risks which are grouped under Pillar 1 and Pillar 2 risks covered in the Bank’s Internal Capital Adequacy Assessment Process (ICAAP) Document submission to BSP, and required for monitoring.

Types and definition of each of these risks are discussed hereunder:

Pillar 1 Risks:

1. Credit Risk (includes Counterparty and Country Risks)
2. Market Risk
3. Operational Risk

Pillar 2 Risks:

4. Credit Concentration Risk
5. Interest Rate Risk in the Banking Book (IRRBB)
6. Liquidity Risk
7. Reputational Risk
8. Strategic Business Risk
9. Information Security / Cyber Security / Data Privacy Risk
10. Information Technology
11. Human Resource Risk

The Enterprise Risk Management Group (ERMG) provides support for the ROC in its role of formulating the risk management strategy, the development and maintenance of the internal risk management framework, and the definition of the governing risk management principles. The ERMG provides assistance to the Asset/Liability Committee (ALCO) on capital management and the Board Strategy and Policy Committee (BSPC) on the management of regulatory capital.

The mandate of the ERMG involves:

- Implementing the risk management framework of identifying, measuring, controlling and monitoring the various risk-taking activities of the Group, inherent in all financial institutions;
- Providing services to the risk-taking units and personnel in the implementation of risk mitigation strategies; and
- Establishing recommended limits based on the results of its analysis of exposures.

4.2 Credit Risk

Credit risk is the non-recovery of credit exposures (on-and-off balance sheet exposures). Managing credit risk also involves monitoring of migration risk, concentration risk, country risk and settlement risk. The Group manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual transaction).

The credit risk management of the entire loan portfolio is under the direct oversight of the ROC and Executive Committee. Credit risk assessment of individual borrower is performed by the business sector, remedial management group and credit management group. Risk management is embedded in the entire credit process, i.e., from credit origination to remedial management, as applicable.



Among the tools used by the Group in identifying, assessing and managing credit risk include:

- Documented credit policies and procedures: sound credit granting process, risk asset acceptance criteria, target market and approving authorities;
- System for administration and monitoring of exposure;
- Post approval review of implemented loans;
- Work out system for managing problem credits;
- Regular review of the sufficiency of valuation reserves;
- Monitoring of adequacy of capital for credit risk via the Capital Adequacy Ratio (CAR) report;
- Monitoring of breaches in regulatory and internal limits;
- Credit risk management monitoring and reporting;
- Diversification;
- Internal risk rating system for corporate accounts;
- Credit scoring for retail accounts; and
- Active loan portfolio management undertaken to determine the quality of the loan portfolio and identify: portfolio growth, movement of loan portfolio, adequacy of loan loss reserves, trend of nonperforming loans (NPLs), and concentration risk (per classified account, per industry, clean exposure, large exposure, contingent exposure, currency, security, facility, demographic, etc.)

The Group follows the BOD-approved policy on the generic classification of loans based on the type of borrowers and the purpose of the loan. The loan portfolio is grouped based on the underlying risk characteristics that are expected to respond in a similar manner to macroeconomic factors and forward-looking conditions.

4.2.1 Credit-Related Commitments

The exposures represent guarantees, standby letters of credit (LCs) issued by the Parent Company and documentary/commercial LCs which are written undertakings by the Parent Company. To mitigate this risk, the Parent Company requires hard collaterals for standby LC lines while commercial LCs are collateralized by the underlying shipments of goods to which they relate.

4.2.2 Derivative Financial Instruments

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the statement of financial position.

4.2.3 Collateral and Other Credit Enhancements

As a general rule, character is the single most important consideration in granting loans. However, collaterals are requested to mitigate risk. The loan value and type of collateral required depend on the assessment of the credit risk of the borrower or counterparty. The Group follows guidelines on the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For corporate accounts - deposit hold-outs, guarantees, securities, physical collaterals (e.g., real estate, chattels, inventory, etc.); generally, commercial, industrial and residential lots are preferred
- For retail lending - mortgages on residential properties and vehicles financed
- For securities lending and reverse repurchase transactions - cash or securities

The disposal of the foreclosed properties is handled by the Acquired Assets Management Group which adheres to the general policy of disposing assets at the highest possible market value.

Management regularly monitors the market value of the collateral and requests additional collateral in accordance with the underlying agreement. The existing market value of the collateral is considered during the review of the adequacy of the allowance for credit losses. Generally, collateral is not held



over loans and advances to banks except for reverse repurchase agreements. The Group is not permitted to sell or repledge the collateral held over loans and advances to counterparty banks and BSP in the absence of default by the owner of the collateral.

4.2.4 Maximum Exposure to Credit Risk After Collateral Held or Other Credit Enhancements

An analysis of the maximum exposure to credit risk after taking into account any collateral held or other credit enhancements for the Group and the Parent Company is shown below:

	Consolidated			
	2024			
	Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Securities held under agreements to resell	₱103,480,119	₱104,909,516	₱—	₱103,480,119
Loans and receivables:				
Receivables from customers:				
Corporates	567,369,203	168,917,808	474,138,853	93,230,350
Local government units (LGU)	1,656,292	—	1,656,292	—
Credit Cards	16,524,978	—	16,524,978	—
Retail small and medium enterprises (SME)	4,441,602	2,412,899	2,763,520	1,678,082
Housing Loans	22,988,322	27,775,258	8,020,645	14,967,677
Auto Loans	5,579,760	8,985,903	1,286,153	4,293,607
Others	7,515,747	4,815,580	4,322,668	3,193,079
Other receivables	10,743,721	—	10,743,721	—
	₱740,299,744	₱317,816,964	₱519,456,830	₱220,842,914

	Consolidated			
	2023			
	Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Securities held under agreements to resell	₱69,694,538	₱57,785,321	₱11,909,217	₱57,785,321
Loans and receivables:				
Receivables from customers*				
Corporates	543,916,216	273,902,143	449,262,028	94,654,188
Local government units (LGU)	2,196,034	—	2,196,034	—
Credit Cards	13,917,733	—	13,917,733	—
Retail small and medium enterprises (SME)	4,378,793	2,397,801	2,795,942	1,582,851
Housing Loans	23,772,977	22,519,180	12,306,138	11,466,839
Auto Loans	5,397,484	11,004,455	1,265,709	4,131,775
Others	10,660,220	5,751,145	6,683,514	3,976,706
Other receivables	12,465,631	—	12,465,631	—
	₱686,399,626	₱373,360,045	₱512,801,946	₱173,597,680

*Receivables from customers exclude residual value of the leased asset (Note 10)

	Parent Company			
	2024			
	Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Securities held under agreements to resell	₱103,480,119	₱104,909,516	₱—	₱103,480,119
Loans and receivables:				
Receivables from customers:				
Corporates	554,283,497	146,521,191	472,932,651	81,350,846
LGU	1,656,292	—	1,656,292	—
Credit Cards	16,524,978	—	16,524,978	—
Retail SME	4,441,602	2,412,899	2,763,520	1,678,082
Housing Loans	22,226,195	26,475,861	8,082,178	14,144,017
Auto Loans	5,579,760	8,985,903	1,286,153	4,293,607
Others	7,316,826	4,609,807	4,209,400	3,107,426
Other receivables	10,363,020	—	10,363,020	—
	₱725,872,289	₱293,915,177	₱517,818,192	₱208,054,097



	Parent Company			
	2023			
	Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Securities held under agreements to resell	₱69,694,538	₱57,785,321	₱11,909,217	₱57,785,321
Loans and receivables:				
Receivables from customers:				
Corporates	530,880,927	253,218,981	448,830,738	82,050,189
LGU	2,196,034	—	2,196,034	—
Credit Cards	13,917,733	—	13,917,733	—
Retail SME	4,379,081	2,395,958	2,795,941	1,583,140
Housing Loans	23,013,792	21,089,659	12,306,138	10,707,654
Auto Loans	5,397,484	11,004,455	1,265,709	4,131,775
Others	10,572,322	5,535,712	6,683,515	3,888,807
Other receivables	11,801,390	—	11,801,390	—
	₱671,853,301	₱351,030,086	₱511,706,415	₱160,146,886

The maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the statement of financial position plus commitments to customers such as unused commercial letters of credit, outstanding guarantees and others.

4.2.5 Credit Risk Concentrations

Credit risk concentrations can arise whenever a significant number of borrowers have similar characteristics. The Group analyzes the credit risk concentration to an individual borrower, related group of accounts, industry, geographic, internal rating buckets, currency, term and security. For risk concentration monitoring purposes, the financial assets are broadly categorized into (1) loans and receivables and (2) trading and investment securities. To mitigate risk concentration, the Group constantly checks for breaches in regulatory and internal limits. Clear escalation process and override procedures are in place, whereby any excess in limits are covered by appropriate approving authority to regularize and monitor breaches in limits.

Limit per client or counterparty

For each CRR, the Parent Company sets limits per client or counterparty based on the regulatory Single Borrowers Limit. For trading and investment securities, the Group limits investments to government issues and securities issued by entities with high-quality investment ratings.

Geographic concentration

The table below shows the credit risk exposures, before taking into account any collateral held or other credit enhancements, categorized by geographic location:

	Consolidated				
	2024				
	Loans and receivables		Trading and investment securities	Other financial assets*	Total
	Amount	%			
Philippines	₱590,193,321	92.68	₱327,197,919	₱126,003,788	₱1,043,395,028
Asia (excluding the Philippines)	27,502,193	4.32	5,543,839	43,064,412	76,110,444
USA and Canada	17,024,502	2.67	1,342,723	6,943,463	25,310,688
Other European Union Countries	1,780,062	0.28	4,731,069	3,184,968	9,696,099
Oceania	168,739	0.03	—	56,660	225,399
Middle East	52,795	0.07	3,106,304	7,902	3,167,001
United Kingdom	98,013	0.01	164,296	22,765,803	23,028,112
	₱636,819,625	100.00	₱342,086,150	₱202,026,996	₱1,180,932,771

* Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)



Consolidated					
2023					
	Loans and receivables*		Trading and investment securities	Other financial assets**	Total
	Amount	%			
Philippines	₱591,914,148	95.98	₱265,175,918	₱126,073,582	₱983,163,648
Asia (excluding the Philippines)	15,018,425	2.44	17,836,070	88,779,062	121,633,557
USA and Canada	6,846,096	1.11	2,869,744	6,479,262	16,195,102
Other European Union Countries	1,937,498	0.31	7,155,246	11,070	9,103,814
Middle East	58,267	0.01	3,877,003	3,132	3,938,402
United Kingdom	447,750	0.07	1,334,802	1,036,563	2,819,115
Oceania	482,904	0.08	—	2,770	485,674
	₱616,705,088	100.00	₱298,248,783	₱222,385,441	₱1,137,339,312

*Loans and receivables exclude residual value of the leased asset. (Note 10)

** Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)

Parent Company					
2024					
	Loans and receivables		Trading and investment securities	Other financial assets*	Total
	Amount	%			
Philippines	₱589,617,070	94.73	₱326,739,735	₱126,130,132	₱1,042,486,937
Asia (excluding the Philippines)	13,736,617	2.21	5,543,027	33,984,841	53,264,485
USA and Canada	16,993,941	2.73	960,736	6,657,226	24,611,903
Other European Union Countries	1,780,062	0.29	4,731,069	3,173,875	9,685,006
Oceania	168,738	0.03	—	53,766	222,504
Middle East	52,795	0.01	3,106,304	7,230	3,166,329
United Kingdom	42,947	0.01	—	21,788,860	21,831,807
	₱622,392,170	100.00	₱341,080,871	₱191,795,930	₱1,155,268,971

*Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)

Parent Company					
2023					
	Loans and receivables		Trading and investment securities	Other financial assets*	Total
	Amount	%			
Philippines	₱591,118,755	98.17	₱264,793,162	₱127,884,433	₱983,796,350
Asia (excluding the Philippines)	1,411,033	0.23	17,831,085	80,102,024	99,344,142
USA and Canada	6,804,220	1.13	2,399,782	4,563,214	13,767,216
Other European Union Countries	1,887,267	0.31	7,155,246	—	9,042,513
Middle East	58,267	0.01	3,877,003	2,478	3,937,748
United Kingdom	396,318	0.07	1,174,417	29	1,570,764
Oceania	482,903	0.08	—	—	482,903
	₱602,158,763	100.00	₱297,230,695	₱212,552,178	₱1,111,941,636

*Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)



Concentration by industry

The tables below show the industry sector analysis of financial assets at amounts before taking into account the fair value of the loan collateral held or other credit enhancements.

	Consolidated				
	2024				
	Loans and receivables		Trading and investment securities	Other financial assets**	Total
	Amount	%			
Primary target industry:					
Financial intermediaries	₱95,402,771	14.98	₱1,697,498	₱143,572,258	₱240,672,527
Wholesale and retail	110,724,538	17.39	16,309,984	—	127,034,522
Electricity, gas and water	100,473,295	15.78	8,251,366	—	108,724,661
Manufacturing	62,254,787	9.78	70,453	—	62,325,240
Transport, storage and communication	34,460,783	5.41	—	73	34,460,856
Agriculture, hunting and forestry	5,424,089	0.85	—	—	5,424,089
Public administration and defense	1,554,338	0.24	—	—	1,554,338
Secondary target industry:					
Government	1,656,292	0.26	281,476,704	58,013,102	341,146,098
Real estate, renting and business activities	105,531,826	16.57	235,681	13,588	105,781,095
Construction	37,948,520	5.96	—	—	37,948,520
Others*	81,388,386	12.78	34,044,464	427,975	115,860,825
	₱636,819,625	100.00	₱342,086,150	₱202,026,996	₱1,180,932,771

*Others include the following sectors - Other community, social and personal services, private household, hotel and restaurant, education, mining and quarrying, and health and social work.

**Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)

	Consolidated				
	2023				
	Loans and receivables*		Trading and investment securities	Other financial assets***	Total
	Amount	%			
Primary target industry:					
Financial intermediaries	₱91,681,525	14.87	₱10,488,016	₱123,166,842	₱225,336,383
Wholesale and retail	115,293,880	18.70	—	—	115,293,880
Electricity, gas and water	83,771,939	13.58	16,561,739	—	100,333,678
Manufacturing	58,057,181	9.41	1,831	—	58,059,012
Transport, storage and communication	44,878,471	7.28	—	56	44,878,527
Agriculture, hunting and forestry	5,016,667	0.81	—	—	5,016,667
Public administration and defense	1,532,772	0.25	—	—	1,532,772
Secondary target industry:					
Government	2,182,895	0.35	229,288,990	99,168,727	330,640,612
Real estate, renting and business activities	106,896,515	17.33	9,226,998	13,866	116,137,379
Construction	31,039,992	5.03	—	—	31,039,992
Others**	76,353,251	12.38	32,681,209	35,950	109,070,410
	₱616,705,088	100.00	₱298,248,783	₱222,385,441	₱1,137,339,312

*Loans and receivables exclude residual value of the leased asset (Note 10)

**Others include the following sectors - Other community, social and personal services, private household, hotel and restaurant, education, mining and quarrying, and health and social work.

***Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15)



Parent Company 2024					
	Loans and receivables		Trading and investment securities	Other financial assets**	Total
	Amount	%			
Primary target industry:					
Financial intermediaries	₱94,979,255	15.26	₱1,695,695	₱133,355,678	₱230,030,628
Wholesale and retail	104,940,102	16.86	16,309,984	—	121,250,086
Electricity, gas and water	100,473,295	16.14	8,162,809	—	108,636,104
Manufacturing	60,256,428	9.86	68,577	—	60,325,005
Transport, storage and communication	33,939,953	5.45	—	—	33,939,953
Agriculture, hunting and forestry	5,269,973	0.85	—	—	5,269,973
Public administration and defense	1,554,338	0.25	—	—	1,554,338
Secondary target industry:					
Government	1,656,292	0.27	280,799,512	58,013,102	340,468,906
Real estate, renting and business activities	102,434,092	16.46	—	—	102,434,092
Construction	37,948,520	6.10	—	—	37,948,520
Others*	78,939,922	12.68	34,044,294	427,150	113,411,366
	₱622,392,170	100.00	₱341,080,871	₱191,795,930	₱1,155,268,971

*Others include the following sectors - Other community, social and personal services, private household, hotel and restaurant, education, mining and quarrying, and health and social work.

**Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15).

Parent Company 2023					
	Loans and receivables		Trading and investment securities	Other financial assets**	Total
	Amount	%			
Primary target industry:					
Financial intermediaries	₱91,212,592	15.15	₱10,482,090	₱113,347,506	₱215,042,188
Wholesale and retail	109,258,099	18.14	—	—	109,258,099
Electricity, gas and water	83,771,939	13.91	16,561,739	—	100,333,678
Manufacturing	56,032,844	9.31	—	—	56,032,844
Transport, storage and communication	44,465,431	7.38	—	—	44,465,431
Agriculture, hunting and forestry	4,863,360	0.81	—	—	4,863,360
Public administration and defense	1,532,772	0.25	—	—	1,532,772
Secondary target industry:					
Government	2,182,895	0.36	228,528,393	99,168,727	329,880,015
Real estate, renting and business activities	103,358,190	17.16	8,977,434	—	112,335,624
Construction	30,981,430	5.15	—	—	30,981,430
Others*	74,499,211	12.37	32,681,039	35,945	107,216,195
	₱602,158,763	100.00	₱297,230,695	₱212,552,178	₱1,111,941,636

*Others include the following sectors - Other community, social and personal services, private household, hotel and restaurant, education, mining and quarrying, and health and social work.

**Other financial assets include the following financial assets: 'Due from BSP', 'Due from other banks', 'Interbank loans receivable', 'Securities held under agreements to resell', and other financial assets booked under 'Other assets' (Note 15).

The internal limit of the Parent Company based on the Philippine Standard Industry Classification sub-industry is 12.00% for primary industry, 8.00% for regular industry, 30.00% for power industry and 25.00% for activities of holding companies versus total loan portfolio.

The latest internal industry limits structure of the Parent Company calculates the capital required for the exposure under each industry and industry clusters and expressing these as percentage to total qualifying capital. The internal limits model also considers projected bookings and paydowns.



4.2.6 Credit Quality Per Class of Financial Assets

Loans and receivables

The segmentation of the Group's loan portfolio is based on the underlying risk characteristics that are expected to respond in a similar manner to macroeconomic factors and forward-looking conditions.

Generally, the Group's exposures can be categorized as either of the following:

- Non-Retail Portfolio – consists of debt obligations of sovereigns, financial institutions, corporations, partnerships, or proprietorships. In particular, the Group's Non-Retail Portfolio segments are as follows: Sovereigns, Financial Institutions, Specialized Lending (e.g., Project Finance), Large Corporates, Middle Market and Commercial SME, government-owned and controlled corporations and LGUs.
- Retail Portfolio – consists of exposures to individual person/s or to a small business, and are not usually managed on an individual basis but as groups of exposures with similar credit risk characteristics. This includes Credit Cards, Consumer Loans and Retail SME, among others.

The credit quality of the Non-Retail Portfolio is evaluated and monitored using external ratings and internal credit risk rating system. The Parent Company maintains a two-dimensional risk rating structure: that is, there is a borrower risk rating (BRR) and a facility risk rating (FRR).

The Group developed specific borrower rating models to capture specific and unique risk characteristics of each of the Non-Retail Portfolio segments. The BRR is measured based on financial condition of the borrower combined with an assessment of non-financial factors such as management, industry outlook and market competition. The BRR models captures overlays and early warning signals as well. The Group uses a single scale with 26 risk grades for all its BRR models.

The 26-risk grade internal default masterscale is a representation of a common measure of relative default risk associated with the obligors/counterparties. The internal default masterscale is mapped to a global rating scale.

FRR, on the other hand, assesses potential loss of the Group in case of default, which considers collateral type and level of collateralization of the facility. The FRR has 9 grades, i.e. FRR A to FRR I.

The CRR or final credit risk rating shall be expressed in alphanumeric terms, e.g. CRR 1A which is a combination of the general creditworthiness of the borrower (BRR 1) and the potential loss of the Group in the event of the borrower's default (FRR A).

The credit quality and corresponding BRRs of the Group's receivables from customers are defined below:

Credit quality	26-Grade BRR system
High S&P Equivalent Global Rating: AAA to BBB-	<i>BRR 1 Excellent</i> Borrower has an exceptionally strong capacity to meet its financial commitments. No existing disruptions or future disruptions are highly unlikely. Probability of going into default in the coming year is very minimal/low. <i>BRR 2 Very Strong</i> Borrower has a very strong capacity to meet its financial commitments. No existing disruptions or future disruptions are unlikely. It differs from BRR 1 borrowers only to a small degree. Probability of going into default in the coming year is very minimal/low. <i>BRR 3 Strong</i> Borrower has a strong capacity to meet its financial commitments. No existing disruptions or future disruptions are unlikely. However, adverse economic conditions or changing circumstances could lead to somewhat lesser capacity to meet financial obligations than in higher-rated borrowers. Probability of going into default in the coming year is very minimal/low.



Credit quality	26-Grade BRR system
	<i>BRR 4-6 Good</i> Borrower has an adequate capacity to meet its financial commitments in the normal course of its business. With identified disruptions from external factors but company has or will likely overcome. Default possibility is minimal/low. <i>BRR 7-9 Satisfactory</i> Borrower under this rating scale basically possesses the characteristics of borrowers rated as BRR 4 to BRR 6 with slightly lesser quality. Default possibility is minimal/low. <i>BRR 10-12 Adequate</i> Borrower has an adequate capacity to meet its financial commitments under the normal course of business. However, adverse economic conditions and changing circumstances are more likely to weaken the borrower's capacity to meet its financial commitments. Default possibility is minimal/low.
Standard S&P Equivalent Global Rating: BB+ to BB-	<i>BRR 13-15 Average</i> Borrower still has the capacity to meet its financial commitments and withstand normal business cycles, however, any prolonged unfavorable economic and/or market conditions would create an immediate deterioration beyond acceptable levels. With identified disruptions from external forces, impact on the borrower is uncertain. Default is a possibility. <i>BRR 16-18 Acceptable</i> Borrower under this rating scale basically possesses the characteristics of borrowers rated as BRR 13 to BRR 15 with slightly lesser quality. Default is a possibility. <i>BRR 19-20 Vulnerable</i> Borrower is less vulnerable in the near term than other low-rated borrowers. However, it faces major ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the borrower's inadequate capacity to meet its financial commitment. Default is a possibility
Substandard S&P Equivalent Global Rating: B+ to CCC-	<i>BRR 21-22 Weak</i> Borrower is more vulnerable than the borrowers rated BRR 19 and BRR 20 but the borrower currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the borrower's capacity or willingness to meet its financial commitments. Default is more than a possibility. <i>BRR 23-25 Watchlist</i> Borrower is currently vulnerable and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments. Borrower may already be experiencing losses and impaired capital in the case of BRR 25.
Impaired S&P Equivalent Global Rating:	<i>BRR 26 Default</i> Default will be a general default. Borrower will fail to pay all or substantially all of its obligations as they come due.

For the Retail Portfolio, such as Retail SME, Credit Cards, Housing and Auto Loans, credit scoring is being used in evaluating the creditworthiness of the borrower.

The table below shows the credit quality of the Group's and the Parent Company's receivables from customers, gross of allowance for credit losses and unearned and other deferred income, but net of residual values of leased assets, as of December 31, 2024 and 2023:

	Consolidated			
	2024			
	Stage 1	Stage 2	Stage 3	Total
Subject to CRR				
Non-Retail – Corporate				
High	₱241,339,078	₱743,741	₱–	₱242,082,819
Standard	251,875,284	4,763,028	–	256,638,312
Substandard	36,969,593	19,858,092	–	56,827,685
Impaired	–	–	33,775,933	33,775,933
	530,183,955	25,364,861	33,775,933	589,324,749
Subject to Scoring and Unrated				
Non-Retail	9,287,762	136,615	934,239	10,358,616
Corporate	7,640,893	113,281	876,195	8,630,369
LGU	1,646,870	23,334	58,044	1,728,247

(Forward)



Consolidated				
2024				
	Stage 1	Stage 2	Stage 3	Total
Retail	₱47,567,948	₱956,133	₱8,040,719	₱56,564,799
Auto Loans	5,382,399	35,654	807,414	6,225,467
Housing Loans	21,169,482	317,380	5,297,651	26,784,513
Retail SME	4,370,985	123,985	995,964	5,490,934
Credit Card	16,645,082	479,114	939,689	18,063,885
Others	6,901,421	343,569	1,589,410	8,834,400
	63,757,131	1,436,316	10,564,367	75,757,815
	₱593,941,086	₱26,801,177	₱44,340,301	₱665,082,564

Consolidated				
2023				
	Stage 1	Stage 2	Stage 3	Total
Subject to CRR				
Non-Retail – Corporate				
High	₱220,424,136	₱7,449	₱–	₱220,431,585
Standard	240,184,925	6,625,961	–	246,810,886
Substandard	46,358,670	20,816,814	–	67,175,484
Impaired	–	–	32,477,009	32,477,009
	506,967,731	27,450,224	32,477,009	566,894,964
Subject to Scoring and Unrated				
Non-Retail	7,232,740	39,071	561,123	7,832,934
Corporate	5,049,454	10,066	497,906	5,557,426
LGU	2,183,286	29,005	63,217	2,275,508
Retail	43,676,730	863,802	10,876,864	55,417,396
Auto Loans	5,215,073	22,973	1,263,450	6,501,496
Housing Loans	20,089,818	248,682	7,962,437	28,300,937
Retail SME	4,163,286	151,785	1,067,047	5,382,118
Credit Card	14,208,553	440,362	583,930	15,232,845
Others	8,572,845	2,087,517	1,667,140	12,327,502
	59,482,315	2,990,390	13,105,127	75,577,832
	₱566,450,046	₱30,440,614	₱45,582,136	₱642,472,796

Parent Company				
2024				
	Stage 1	Stage 2	Stage 3	Total
Subject to CRR				
Non-Retail - Corporate				
High	₱234,976,619	₱–	₱–	₱234,976,619
Standard	246,214,981	4,763,028	–	250,978,009
Substandard	36,851,794	19,858,092	–	56,709,886
Impaired	–	–	33,775,932	33,775,932
	518,043,393	24,621,121	33,775,932	576,440,446
Subject to Scoring and Unrated				
Non-Retail	9,287,762	136,615	934,239	10,358,616
Corporate	7,640,893	113,281	876,195	8,630,369
LGU	1,646,870	23,334	58,044	1,728,247
Retail	46,801,777	950,986	7,987,260	55,740,023
Auto Loans	5,382,399	35,654	807,414	6,225,467
Housing Loans	20,403,311	312,234	5,244,192	25,959,737
Retail SME	4,370,985	123,985	995,964	5,490,934
Credit Card	16,645,082	479,114	939,689	18,063,885
Others	6,819,797	343,569	1,589,410	8,752,776
	62,909,336	1,431,170	10,510,909	74,851,415
	₱580,952,730	₱26,052,291	₱44,286,840	₱651,291,861



	Parent Company			
	2023			
	Stage 1	Stage 2	Stage 3	Total
Subject to CRR				
Non-Retail - Corporate				
High	₱212,827,838	₱—	₱—	₱212,827,838
Standard	235,059,187	6,625,961	—	241,685,148
Substandard	46,331,524	20,816,814	—	67,148,338
Impaired	—	—	32,450,434	32,450,434
	494,218,549	27,442,775	32,450,434	554,111,758
Subject to Scoring and Unrated				
Non-Retail	7,255,065	39,071	561,123	7,855,259
Corporate	5,071,779	10,066	497,906	5,579,751
LGU	2,183,286	29,005	63,217	2,275,508
Retail	42,940,643	863,802	10,830,680	54,635,125
Auto Loans	5,215,073	22,973	1,263,450	6,501,496
Housing Loans	19,353,830	248,682	7,921,406	27,523,918
Retail SME	4,163,187	151,785	1,061,894	5,376,866
Credit Card	14,208,553	440,362	583,930	15,232,845
Others	8,484,938	2,087,517	1,667,139	12,239,594
	58,680,646	2,990,390	13,058,942	74,729,978
	₱552,899,195	₱30,433,165	₱45,509,376	₱628,841,736

The analysis of past due status of receivables from customers that are subject to scoring and unrated follows:

	Consolidated				
	2024				
	Less than 30 days	31 to 90 days	91 to 180 days	More than 180 days	Total
Housing Loans	₱252,972	₱127,239	₱119,802	₱5,095,857	₱5,595,870
Auto Loans	19,684	28,772	35,676	758,937	843,068
Retail SME	34,626	5,563	8,886	949,477	998,552
Credit Card	682,120	405,750	342,506	683,022	2,113,397
LGU	7,523	—	—	50,521	58,044
Others	264,959	76,299	20,592	1,430,469	1,792,319
Total	₱1,261,884	₱643,623	₱527,462	₱8,968,283	₱11,401,250

	Consolidated				
	2023				
	Less than 30 days	31 to 90 days	91 to 180 days	More than 180 days	Total
Housing Loans	₱165,082	₱198,072	₱229,491	₱7,628,653	₱8,221,298
Auto Loans	15,179	19,465	15,345	1,236,458	1,286,447
Retail SME	33,596	15,968	12,582	1,627,173	1,689,319
Credit Card	635,084	367,041	309,380	552,928	1,864,433
LGU	12,696	—	—	50,521	63,217
Others	27,096	35,749	203,642	1,599,257	1,865,744
Total	₱888,733	₱636,295	₱770,440	₱12,694,990	₱14,990,458

	Parent Company				
	2024				
	Less than 30 days	31 to 90 days	91 to 180 days	More than 180 days	Total
Housing Loans	₱252,854	₱127,239	₱119,802	₱5,042,398	₱5,542,294
Auto Loans	19,684	28,772	35,676	758,937	843,068
Retail SME	34,626	5,563	8,886	949,477	998,552
Credit Card	682,120	405,750	342,506	683,022	2,113,397
LGU	7,523	—	—	50,521	58,044
Others	263,503	75,385	20,592	1,430,469	1,789,949
Total	₱1,260,310	₱642,709	₱527,462	₱8,914,824	₱11,345,304



Parent Company					
2023					
	Less than 30 days	31 to 90 days	91 to 180 days	More than 180 days	Total
Housing Loans	₱164,017	₱197,248	₱229,491	₱7,576,116	₱8,166,872
Auto Loans	15,179	19,465	15,345	1,236,458	1,286,447
Retail SME	33,596	4,985	12,287	1,042,248	1,093,116
Credit Card	635,084	367,041	309,380	552,928	1,864,433
LGU	12,696	—	—	50,521	63,217
Others	24,945	34,264	107,904	1,508,203	1,675,316
Total	₱885,517	₱623,003	₱674,407	₱11,966,474	₱14,149,401

Trading and investment securities and other financial assets

In ensuring quality investment portfolio, the Group uses the credit risk rating based on the external ratings of eligible external credit rating institutions (i.e. Moody's Investors Service) as follows:

- Aaa to Aa3 - fixed income are judged to be of high quality and are subject to very low credit risk, but their susceptibility to long-term risks appears somewhat greater.
- A1 to A3 - fixed income obligations are considered upper-medium grade and are subject to low credit risk, but have elements present that suggest a susceptibility to impairment over the long term.
- Baa1 and below - represents those investments which fall under any of the following grade:
 - Baa1, Baa2, Baa3 - fixed income obligations are subject to moderate credit risk. They are considered medium grade and as such protective elements may be lacking or may be characteristically unreliable.
 - Ba1, Ba2, Ba3 - obligations are judged to have speculative elements and are subject to substantial credit risk.
 - B1, B2, B3 - obligations are considered speculative and are subject to high credit risk.
 - Caa1, Caa2, Caa3 - are judged to be of poor standing and are subject to very high credit risk.
 - Ca - are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
 - C - are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Below are the financial assets of the Group and the Parent Company, gross of allowance for credit losses, excluding receivables from customers, which are monitored using external ratings.

Consolidated						
2024						
	Aaa to Aa3	A1 to A3	Baa1 and below	Subtotal	Unrated	Total
Due from BSP ^{1/}	₱—	₱—	₱—	₱—	₱55,128,316	₱55,128,316
Due from other banks	4,915,242	11,127,337	1,037,804	17,080,383	3,108,255	20,188,638
Interbank loans receivables	3,240,924	17,814,043	—	21,054,967	1,738,365	22,793,332
Securities held under agreements to resell	—	12,581,872	12,355,747	24,937,619	78,588,740	103,526,359
Financial assets at FVOCI						
Government securities	1,640,210	2,933,248	135,510,598	140,084,056	27,740,717	167,824,773
Private debt securities	949,491	202,950	291,643	1,444,084	14,134,116	15,578,200
Quoted equity securities	88,557	—	170	88,727	2,742,550	2,831,277
Unquoted equity securities	—	—	—	—	25,508,533	25,508,533
Investment securities at amortized cost						
Government securities	437,694	805,453	81,099,109	82,342,256	14,475,124	96,817,380
Private debt securities	753,184	523,078	713,605	1,989,867	13,762,605	15,752,472
Financial assets at amortized cost						
Loans and receivables - Others ^{2/}	—	—	—	—	14,791,311	14,791,311

^{1/} 'Due from BSP' is composed of interest-earning short-term placements with the BSP and a demand deposit account to support the regular operations of the Parent Company.

^{2/} Loans and receivables - Others is composed of Accrued interest receivable, Accounts receivable, Sales contracts receivable and other miscellaneous receivables (Note 10).



Consolidated						
2023						
	Aaa to Aa3	A1 to A3	Baa1 and below	Subtotal	Unrated	Total
Due from BSP ^{1/}	P=	P=	P=	P=	P95,410,350	P95,410,350
Due from other banks	3,421,092	13,010,926	4,012,095	20,444,113	809,641	21,253,754
Interbank loans receivables	8,816,134	22,454,811	—	31,270,945	4,371,540	35,642,485
Securities held under agreements to resell	21,931,098	22,580,867	25,196,725	69,708,690	—	69,708,690
Financial assets at FVOCI						
Government securities	1,526,582	3,542,452	119,142,990	124,212,024	160,386	124,372,410
Private debt securities	—	3,633,167	10,547,385	14,180,552	—	14,180,552
Quoted equity securities	—	—	170	170	1,049,025	1,049,195
Unquoted equity securities	—	—	—	—	24,929,335	24,929,335
Investment securities at amortized cost						
Government securities	476,340	7,029,234	96,971,058	104,476,632	56,750	104,533,382
Private debt securities	—	12,300,109	6,522,771	18,822,880	—	18,822,880
Financial assets at amortized cost						
Loans and receivables - Others ^{2/}	—	—	—	—	17,485,597	17,485,597

^{1/} 'Due from BSP' is composed of interest-earning short-term placements with the BSP and a demand deposit account to support the regular operations of the Parent Company.

^{2/} Loans and receivables - Others is composed of Accrued interest receivable, Accounts receivable, Sales contracts receivable and other miscellaneous receivables (Note 10).

Parent Company						
2024						
	Aaa to Aa3	A1 to A3	Baa1 and below	Subtotal	Unrated	Total
Due from BSP ^{1/}	P=	P=	P=	P=	P55,128,316	P55,128,316
Due from other banks	331,819	7,775,537	285,567	8,392,923	3,090,030	11,482,953
Interbank loans receivables	1,735,350	17,814,043	—	19,549,393	1,738,365	21,287,758
Securities held under agreements to resell	—	12,581,872	12,355,747	24,937,619	78,588,740	103,526,359
Financial assets at FVOCI						
Government securities	1,336,741	2,933,248	135,683,158	139,953,147	27,576,421	167,529,568
Private debt securities	949,491	199,434	291,643	1,440,568	14,134,116	15,574,684
Quoted equity securities	—	—	—	—	2,657,550	2,657,550
Unquoted equity securities	—	—	—	—	25,508,532	25,508,532
Investment securities at amortized cost						
Government securities	55,707	805,453	81,099,109	81,960,269	14,475,124	96,435,393
Private securities	753,184	523,078	713,605	1,989,867	13,762,605	15,752,472
Financial assets at amortized cost						
Loans and receivables - Others ^{2/}	—	—	—	—	14,084,022	14,084,022

^{1/} 'Due from BSP' is composed of interest-earning short-term placements with the BSP and a demand deposit account to support the regular operations of the Parent Company.

^{2/} Loans and receivables - Others is composed of Accrued interest receivable, Accounts receivable, Sales contracts receivable and other miscellaneous receivables (Note 10).

Parent Company						
2023						
	Aaa to Aa3	A1 to A3	Baa1 and below	Subtotal	Unrated	Total
Due from BSP ^{1/}	P=	P=	P=	P=	P95,410,350	P95,410,350
Due from other banks	1,228,363	10,349,227	1,268,254	12,845,844	790,653	13,636,497
Interbank loans receivables	6,619,013	22,454,811	—	29,073,824	4,371,540	33,445,364
Securities held under agreements to resell	21,931,098	22,580,867	25,196,725	69,708,690	—	69,708,690
Financial assets at FVOCI						
Government securities	1,223,772	3,542,452	119,315,550	124,081,774	—	124,081,774
Private debt securities	—	3,604,452	10,547,385	14,151,837	—	14,151,837
Quoted equity securities	—	—	—	—	974,025	974,025
Unquoted equity securities	—	—	—	—	24,929,335	24,929,335
Investment securities at amortized cost						
Government securities	6,379	7,029,234	96,971,058	104,006,671	56,749	104,063,420
Private securities	—	12,300,109	6,522,771	18,822,880	—	18,822,880
Financial assets at amortized cost						
Loans and receivables - Others ^{2/}	—	—	—	—	16,547,558	16,547,558

^{1/} 'Due from BSP' is composed of interest-earning short-term placements with the BSP and a demand deposit account to support the regular operations of the Parent Company.

^{2/} Loans and receivables - Others is composed of Accrued interest receivable, Accounts receivable, Sales contracts receivable and other miscellaneous receivables (Note 10).

4.3 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 come 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 Parent Company seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed substantially of deposits in primary and secondary reserves, and the securing of money market lines and the maintenance of repurchase facilities to address any unexpected liquidity situations.

Liquidity risk is monitored and controlled primarily by a gap analysis of maturities of relevant assets and liabilities reflected in the maximum cumulative outflow (MCO) report, as well as an analysis of available liquid assets. The MCO focuses on a 12-month period wherein the 12-month cumulative outflow is compared to the acceptable MCO limit set by the BOD. Furthermore, an internal liquidity ratio has been set to determine sufficiency of liquid assets over deposit liabilities.

Liquidity is monitored by the Parent Company on a daily basis through the Global Markets Group. Likewise, the ERMG monitors the static liquidity via the MCO under normal and stressed scenarios.

The table below shows the liquidity information of financial assets and financial liabilities which includes coupon cash flows categorized based on the expected date on which the asset will be realized and the liability will be settled. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

	Consolidated 2024					Total
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	
Financial Assets						
COCI	₱20,638,033	₱—	₱—	₱—	₱—	₱20,638,033
Due from BSP and other banks	79,665,312	—	—	—	—	79,665,312
Interbank loans receivable	14,391,519	8,269,891	—	237,736	—	22,899,146
Securities held under agreements to resell	86,336,489	17,442,188	45,606	—	—	103,824,283
Financial assets at FVTPL:						
Government securities	6,019,858	37,152	327,922	3,428,645	10,851,259	20,664,836
Private debt securities	1,963	501,293	161,953	76	2,500	667,785
Equity securities	2,866	—	—	—	—	2,866
Derivative assets:						
Gross contractual receivable	63,016,118	17,487,420	4,695,516	1,177,732	718,884	87,095,670
Gross contractual payable	(62,348,904)	(17,225,028)	(4,630,933)	(1,148,725)	(657,203)	(86,010,793)
Financial assets at FVOCI:						
Government securities	45,163,800	23,772,893	3,594,679	27,001,776	96,698,783	196,231,931
Private debt securities	102,545	1,612,398	338,704	2,077,196	14,916,954	19,047,797
Equity securities	—	—	—	—	28,339,810	28,339,810
Investment securities at amortized cost						
Government securities	1,783,091	3,145,770	4,701,366	3,260,697	121,298,519	134,189,443
Private debt securities	5,935,265	159,585	640,783	4,501,535	7,708,861	18,946,029
Financial assets at amortized cost:						
Receivables from customers	129,354,666	112,113,503	39,252,192	36,802,831	485,624,853	803,148,045
Other receivables	12,220,461	1,254,881	432,752	65,212	818,003	14,791,309
Other assets	427,311	—	—	—	20,162	447,473
Total financial assets	₱402,710,393	₱168,571,946	₱49,560,540	₱77,404,711	₱766,341,385	₱1,464,588,975
Financial Liabilities						
Deposit liabilities:						
Demand	₱244,799,109	₱—	₱—	₱—	₱—	₱244,799,109
Savings *	392,374,872	—	—	—	—	392,374,872
Time and LTNCDs *	184,634,425	119,952,066	22,108,662	9,754,371	5,045,284	341,494,808
Financial liabilities at FVTPL:						
Derivative liabilities:						
Gross contractual payable	30,063,432	17,447,332	12,617,891	1,356,393	—	61,485,048
Gross contractual receivable	(29,925,130)	(17,133,537)	(12,163,154)	(1,339,194)	—	(60,561,015)
Bills and acceptances payable	974,286	2,537,017	3,611,405	8,057,956	14,566	15,195,230
Bonds payable	—	—	—	—	21,573,430	21,573,430
Accrued interest payable and accrued other expenses payable	3,735,521	20,240	160,435	45,689	350	3,962,235
Other liabilities	11,510,963	—	—	—	1,626,812	13,137,775
Total financial liabilities	₱838,167,478	₱122,823,118	₱26,335,239	₱17,875,215	₱28,260,442	₱1,033,461,492

* High-yield savings accounts are included under time deposits



	Consolidated					Total
	2023					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	
Financial Assets						
COCI	₱21,151,391	₱–	₱–	₱–	₱–	₱21,151,391
Due from BSP and other banks	120,467,205	–	–	–	–	120,467,205
Interbank loans receivable	28,531,370	5,489,107	967,360	1,023,160	–	36,010,997
Securities held under agreements to resell	69,812,071	–	–	–	–	69,812,071
Financial assets at FVTPL:						
Government securities	4,293,988	534,211	39,479	91,568	3,586,581	8,545,827
Private debt securities	–	29,925	18,982	994,562	662,057	1,705,526
Equity securities	2,771	–	–	–	–	2,771
Derivative assets:						
Gross contractual receivable	87,949,838	17,614,366	2,099,656	445,073	30,329	108,139,262
Gross contractual payable	(87,391,376)	(17,458,363)	(2,070,466)	(441,124)	(29,191)	(107,390,520)
Financial assets at FVOCI:						
Government securities	33,489,750	46,204,757	1,285,139	2,180,240	47,001,705	130,161,591
Private debt securities	938,132	1,112,484	1,987,338	2,370,435	9,479,822	15,888,211
Equity securities	1,411,318	–	–	–	24,567,213	25,978,531
Investment securities at amortized cost						
Government securities	6,209,327	4,081,976	5,719,142	4,000,317	124,961,338	144,972,100
Private debt securities	1,347,263	3,824,893	1,334,269	1,704,803	27,484,727	35,695,955
Financial assets at amortized cost:						
Receivables from customers	149,406,393	61,186,611	28,126,108	23,386,574	510,204,415	772,310,101
Other receivables	14,812,784	665,550	387,899	242,420	1,376,947	17,485,600
Other assets	383,478	–	–	–	18,779	402,257
Total financial assets	₱452,815,703	₱123,285,517	₱39,894,906	₱35,998,028	₱749,344,722	₱1,401,338,876
Financial Liabilities						
Deposit liabilities:						
Demand	₱229,771,379	₱–	₱–	₱–	₱–	₱229,771,379
Savings *	367,397,521	–	–	–	–	367,397,521
Time and LTNCds *	190,633,688	98,114,877	16,667,382	19,935,772	14,354,806	339,706,525
Financial liabilities at FVTPL:						
Derivative liabilities:						
Gross contractual payable	53,574,196	7,507,070	3,406,282	673,361	–	65,160,909
Gross contractual receivable	(53,334,823)	(7,274,163)	(3,340,990)	(657,783)	–	(64,607,759)
Bills and acceptances payable	6,019,964	10,282,130	2,290,375	503,601	1,139,259	20,235,329
Bonds payable	–	15,134	–	42,762,166	–	42,777,300
Accrued interest payable and accrued other expenses payable	4,683,312	54,751	217,492	113,428	479,288	5,548,271
Other liabilities	8,054,665	2,755	–	76,930	1,215,351	9,349,701
Total financial liabilities	₱806,799,902	₱108,702,554	₱19,240,541	₱63,407,475	₱17,188,704	₱1,015,339,176

* High-yield savings accounts are included under time deposits

	Parent Company					Total
	2024					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	
Financial Assets						
COCI	₱20,522,258	₱–	₱–	₱–	₱–	₱20,522,258
Due from BSP and other banks	68,407,714	–	–	–	–	68,407,714
Interbank loans receivable	13,799,929	7,577,478	–	–	–	21,377,407
Securities held under agreements to resell	86,350,640	17,442,188	–	–	–	103,792,828
Financial assets at FVTPL:						
Government securities	6,019,858	37,152	327,922	3,428,645	10,851,259	20,664,836
Private debt securities	1,963	499,831	12,266	76	2,500	516,636
Equity securities	–	–	–	–	–	–
Derivative assets:						
Gross contractual receivable	63,016,045	17,487,373	4,694,825	1,177,732	718,884	87,094,859
Gross contractual payable	(62,348,904)	(17,225,028)	(4,630,933)	(1,148,725)	(657,203)	(86,010,793)
Financial assets at FVOCI:						
Government securities	45,163,800	23,766,870	3,429,917	26,993,976	96,344,183	195,698,746
Private debt securities	102,545	1,612,346	338,651	2,077,081	14,912,826	19,043,449
Equity securities	–	–	–	–	28,166,082	28,166,082
Investment securities at amortized cost:						
Government securities	1,783,091	3,145,770	4,673,697	3,260,697	120,933,945	133,797,200
Private debt securities	5,935,265	159,585	640,783	4,501,535	7,708,861	18,946,029

(Forward)



Parent Company						
2024						
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial assets at amortized cost:						
Receivables from customers	₱125,410,180	₱108,111,242	₱37,907,583	₱35,037,355	₱482,137,644	₱788,604,004
Other receivables	11,618,507	1,212,223	423,072	16,772	813,447	14,084,021
Other assets	426,650	—	—	—	500	427,150
Total financial assets	₱386,209,541	₱163,827,030	₱47,817,783	₱75,345,144	₱761,932,928	₱1,435,132,426
Financial Liabilities						
Deposit liabilities:						
Demand	₱244,265,623	₱—	₱—	₱—	₱—	₱244,265,623
Savings *	391,145,423	—	—	—	—	391,145,423
Time and LTNCDS *	183,443,376	117,002,007	18,847,934	9,272,776	4,988,759	333,554,852
Financial liabilities at FVTPL:						
Derivative liabilities:						
Gross contractual receivable	30,062,057	17,446,351	12,617,887	1,356,393	—	61,482,688
Gross contractual payable	(29,925,130)	(17,133,537)	(12,163,154)	(1,339,176)	—	(60,560,997)
Bills and acceptances payable	974,286	2,537,017	3,611,405	8,057,956	14,565	15,195,229
Bonds payable	—	—	—	—	21,573,430	21,573,430
Accrued interest payable and accrued other expenses payable	3,741,442	11,470	160,435	—	—	3,913,347
Other liabilities	10,854,712	—	—	—	1,626,812	12,481,524
Total financial liabilities	₱834,561,789	₱119,863,308	₱23,074,507	₱17,347,949	₱28,203,566	₱1,023,051,119

* High-yield savings accounts are included under time deposits

Parent Company						
2023						
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial Assets						
COCI	₱21,052,526	₱—	₱—	₱—	₱—	₱21,052,526
Due from BSP and other banks	109,049,601	—	—	—	—	109,049,601
Interbank loans receivable	27,292,838	4,711,253	733,840	1,023,160	—	33,761,091
Securities held under agreements to resell	69,812,071	—	—	—	—	69,812,071
Financial assets at FVTPL:						
Government securities	4,293,988	534,211	39,479	91,568	3,586,581	8,545,827
Private debt securities	—	28,463	17,295	991,188	509,839	1,546,785
Equity securities	—	—	—	—	—	—
Derivative assets:						
Gross contractual receivable	87,949,731	17,611,825	2,097,320	445,073	30,329	108,134,278
Gross contractual payable	(87,391,376)	(17,458,363)	(2,070,466)	(441,124)	(29,191)	(107,390,520)
Financial assets at FVOCI:						
Government securities	33,489,750	46,204,757	1,195,094	2,094,355	46,631,505	129,615,461
Private debt securities	938,132	1,112,051	1,986,905	2,369,485	9,443,984	15,850,557
Equity securities	1,336,148	—	—	—	24,567,213	25,903,361
Investment securities at amortized cost:						
Government securities	6,172,842	4,010,826	5,708,076	3,972,550	124,620,081	144,484,375
Private debt securities	1,347,262	3,824,893	1,334,269	1,704,803	27,484,727	35,695,954
Financial assets at amortized cost:						
Receivables from customers	145,196,835	57,624,975	27,195,621	21,636,212	506,344,765	757,998,408
Other receivables	14,282,566	649,818	2,968	240,464	1,371,742	16,547,558
Other assets	382,847	—	—	—	500	383,347
Total financial assets	₱435,205,761	₱118,854,709	₱38,240,401	₱34,127,734	₱744,562,075	₱1,370,990,680
Financial Liabilities						
Deposit liabilities:						
Demand	₱229,138,969	₱—	₱—	₱—	₱—	₱229,138,969
Savings *	366,321,763	—	—	—	—	366,321,763
Time and LTNCDS *	190,347,584	94,660,837	13,823,464	19,360,573	14,335,168	332,527,626

(Forward)



	Parent Company					
	2023					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial liabilities at FVTPL:						
Derivative liabilities:						
Gross contractual receivable	₱53,574,196	₱7,507,070	₱3,406,282	₱673,361	₱–	₱65,160,909
Gross contractual payable	(53,334,823)	(7,274,163)	(3,340,990)	(657,765)	–	(64,607,741)
Bills and acceptances payable	6,019,964	10,282,130	2,290,375	503,601	1,139,258	20,235,328
Bonds payable	–	15,134	–	42,762,166	–	42,777,300
Accrued interest payable and accrued other expenses payable	4,689,505	21,230	46,193	44,728	478,314	5,279,970
Other liabilities	7,366,066	2,756	–	76,930	1,215,351	8,661,103
Total financial liabilities	₱804,123,224	₱105,214,994	₱16,225,324	₱62,763,594	₱17,168,091	₱1,005,495,227

* High-yield savings accounts are included under time deposits

4.3.1 BSP Reporting for Liquidity Positions and Leverage

To promote short-term resilience of banks' liquidity risk profile, BSP requires banks and other regulated entities to maintain:

- over a 30-calendar day horizon, an adequate level of unencumbered high-quality liquid assets (HQLA) that consist of cash or assets that can be converted into cash to offset the net cash outflows they could encounter under a liquidity stress scenario; and
- a stable funding profile in relation to the composition of their assets and off-balance sheet activities.

To monitor the liquidity levels, the Group computes for its Liquidity Coverage Ratio (LCR), which is the ratio of HQLA to the total net cash outflows. As of December 31, 2024 and 2023, LCR reported to the BSP with certain adjustments is shown in the table below:

	Consolidated		Parent Company	
	2024	2023	2024	2023
LCR	254.46%	271.54%	244.55%	295.74%

The Group also computes for its Net Stable Funding Ratio (NSFR), which is the ratio of the available stable funding to the required stable funding. Both LCR and NSFR should be maintained no lower than 100.00% on a daily basis under normal situations. As of December 31, 2024 and 2023, NSFR reported to the BSP with certain adjustments is shown in the table below (amounts, except ratios, are expressed in millions):

	Consolidated		Parent Company	
	2024	2023	2024	2023
Available stable funding	₱955,109	₱894,199	₱943,044	₱884,747
Required stable funding	598,326	595,019	600,847	597,380
NSFR	159.63%	150.28%	156.95%	148.10%

4.4 Market Risk

Market risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in an institutions' overall portfolio. Market risk arises from market making, dealing, and position taking in interest rate, foreign exchange and equity markets. The succeeding sections provide discussion on the impact of market risk on the Parent Company's trading and structural portfolios.



4.4.1 Trading Market Risk

Trading market risk exists in the Parent Company as the values of its trading positions are sensitive to changes in market rates such as interest rates, foreign exchange rates and equity prices. The Parent Company is exposed to trading market risk in the course of market making as well as from taking advantage of market opportunities. For internal monitoring of the risks in the trading portfolio, the Parent Company uses the Value at Risk (VaR) as a primary risk measurement tool. It adopts both the Parametric VaR methodology and Historical Simulation Methodology (with 99.00% confidence level) to measure the Parent Company's trading market risk. Both the Parametric models and Historical Simulation models were validated. Volatilities used in the parametric are updated on a daily basis and are based on historical data for a rolling 400-day period while yields and prices in the historical VaR approach are also updated daily. The ERMG reports the VaR utilization and breaches to limits to the risk taking personnel on a daily basis and to the ALCO and ROC on a monthly basis. All risk reports discussed in the ROC meeting are noted by the BOD. The VaR figures are back tested to validate the robustness of the VaR model. Results of backtesting on a rolling one year period are reported also to the ROC.

The parametric VaR models are designed to measure market risk in a normal market environment. The models assume that any changes occurring in the risk factors affecting the normal market environment will follow a normal distribution. The use of VaR has limitations because it is based on historical volatilities in market prices and assumes that future price movements will follow a statistical 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 movements may be under-estimated if changes in risk factors fail to align with historical movements. 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.

VaR estimates the potential loss on the current portfolio assuming a specified time horizon and level of confidence at 99.00%. 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 one hundred days.

The validity of the assumptions underlying the Parent Company's VaR models can only be checked by appropriate backtesting procedures. Backtesting is a formal statistical framework that consists of verifying that actual losses are within the projected VaR approximations. The Parent Company adopts both the clean backtesting and dirty backtesting approaches approach in backtesting. Clean backtesting, consists of comparing the VaR estimates with some hypothetical profit or loss (P&L) values of the portfolio, having kept its composition unchanged. In this case, the same portfolio is repriced or marked-to-market at the end of the time interval and the hypothetical P&L is then compared with the VaR. The other method, called dirty backtesting, consists of comparing the VaR estimates with the actual P&L values at the end of the time horizon. This method, however, may pose a problem if the portfolio has changed drastically because of trading activities between the beginning and the end of the time horizon since VaR models assume that the portfolio is "frozen" over the horizon. The Parent Company uses the regulatory 3-zone (green, yellow and red) boundaries in evaluating the backtesting results.

The VaR models undergo close monitoring and regular review of the model's parameters and assumptions to determine model quality.



To complement the VaR approximations, the Parent Company conducts stress testing on a quarterly basis, the results of which are being reported to the BOD. Scenarios used in the conduct of stress test are event driven and represent the worst one-off event of a specific risk factor. Results of stress testing are analyzed in terms of the impact to earnings and capital.

Since VaR is an integral part of the Parent Company's market risk management, VaR limits have been established annually for all financial trading activities and exposures. Calculated VaR compared against the VaR limits are monitored. Limits are based on the tolerable risk appetite of the Parent Company.

The tables below show the trading VaR (in millions):

Trading Portfolio	Foreign Exchange*	Interest Rate	Equities Price	Total VaR**
December 29, 2024	₱15.74	₱239.88	₱—	₱255.63
Average Daily	8.45	171.61	—	180.06
Highest	24.10	425.89	—	443.69
Lowest	1.31	70.83	—	73.49

* *FX VaR is the bankwide foreign exchange risk*

** *The high and low for the total portfolio may not equal the sum of the individual components as the highs and lows of the individual trading portfolios may have occurred on different trading days*

Trading Portfolio	Foreign Exchange*	Interest Rate	Equities Price	Total VaR**
December 29, 2023	₱3.99	₱86.63	₱—	₱90.62
Average Daily	9.26	133.08	—	142.34
Highest	33.27	313.88	—	320.92
Lowest	1.78	62.67	—	67.76

* *FX VaR is the bankwide foreign exchange risk*

** *The high and low for the total portfolio may not equal the sum of the individual components as the highs and lows of the individual trading portfolios may have occurred on different trading days*

4.4.2 Non-Trading Market Risk

Interest rate risk

The Group seeks to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. Interest margins may increase as a result of such changes but may be reduced or may create losses in the event that unexpected movements arise.

Repricing mismatches will expose the Group to interest rate risk. The Group measures the sensitivity of its assets and liabilities to interest rate fluctuations by way of a “repricing gap” analysis using the repricing characteristics of its financial instrument positions tempered with approved assumptions. To evaluate earnings exposure, interest rate sensitive liabilities in each time band are subtracted from the corresponding interest rate assets to produce a “repricing gap” for that time band. The difference in the amount of assets and liabilities maturing or being repriced over a one year period would then give the Group an indication of the extent to which it is exposed to the risk of potential changes in net interest income. A negative gap occurs when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. Vice versa, positive gap occurs when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.



During a period of rising interest rates, a company with a positive gap is better positioned because the company's assets are refinanced at increasingly higher interest rates increasing the net interest margin of the company over time. During a period of falling interest rates, a company with a positive gap would show assets repricing at a faster rate than one with a negative gap, which may restrain the growth of its net income or result in a decline in net interest income.

For risk management purposes, the loan accounts are assessed based on next repricing date, thus as an example, if a loan account is scheduled to reprice three years from year-end report date, slotting of the account will be based on the date of interest repricing. Deposits with no specific maturity dates are excluded in the one-year repricing gap except for the portion of volatile regular savings deposits which are assumed to be withdrawn during the one year period and assumed to be replaced by a higher deposit rate.

The Group uses the Earnings at Risk (EaR) methodology to measure the likely interest margin compression in case of adverse change in interest rates given the Group's repricing gap. The repricing gap covering the one-year period is multiplied by an assumed change in interest rates to yield an approximation of the change in net interest income that would result from such an interest rate movement. The Parent Company's BOD sets a limit on the level of EaR exposure tolerable to the Group. EaR exposure and compliance to the EaR limit is monitored every two weeks and reported monthly by the ERMG and subject to a quarterly stress test.

The following table sets forth the repricing gap position of the Group and the Parent Company:

	Consolidated					
	2024					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial Assets*						
Due from BSP and other banks	₱38,455,828	₱7,681,906	₱3,454,493	₱4,415,792	₱21,304,191	₱75,312,210
Interbank loans receivable and securities held under agreements to resell	108,224,491	17,800,638	—	242,184	—	126,267,313
Receivables from customers and other receivables - gross**	157,138,553	68,585,452	21,366,921	61,472,690	104,245,092	412,808,708
Total financial assets	₱303,818,872	₱94,067,996	₱24,821,414	₱66,130,666	₱125,549,283	₱614,388,231
Financial Liabilities*						
Deposit liabilities:						
Savings	₱158,681,470	₱72,692,839	₱27,724,999	₱51,339,044	₱264,897,175	₱575,335,527
Time***	82,979,912	40,903,297	6,699,749	5,023,468	11,762,306	147,368,732
Bonds payable	—	—	—	—	17,304,421	17,304,421
Bills and acceptances payable	7,869,449	2,324,009	2,295,405	7,719,588	—	20,208,451
Total financial liabilities	₱249,530,831	₱115,920,145	₱36,720,153	₱64,082,100	₱293,963,902	₱760,217,131
Repricing gap	₱54,288,041	(₱21,852,149)	(₱11,898,739)	₱2,048,566	(₱168,414,619)	(₱145,828,900)
Cumulative gap	54,288,041	32,435,892	20,537,153	22,585,719	(145,828,900)	

* Financial instruments that are not subject to repricing/rollforward were excluded

** Receivables from customers excludes residual value of leased assets (Note 10)

***Excludes LTNCD



Consolidated						
2023						
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial Assets*						
Due from BSP and other banks	₱58,150,792	₱9,072,894	₱3,369,531	₱8,901,479	₱37,159,510	₱116,654,206
Interbank loans receivable and securities held under agreements to resell	98,092,798	5,439,375	733,899	1,062,906	—	105,328,978
Receivables from customers and other receivables - gross**	161,955,806	49,845,326	28,901,960	39,616,354	104,403,594	384,723,040
Total financial assets	₱318,199,396	₱64,357,595	₱33,005,390	₱49,580,739	₱141,563,104	₱606,706,224
Financial Liabilities*						
Deposit liabilities:						
Savings	₱158,675,307	₱56,242,019	₱27,795,826	₱49,149,862	₱249,146,435	₱541,009,449
Time***	81,037,001	40,011,529	6,280,461	5,894,523	12,528,547	145,752,061
Bonds payable	—	—	—	41,490,871	—	41,490,871
Bills and acceptances payable	10,303,062	5,296,850	1,746,803	185,016	2,630,872	20,162,603
Total financial liabilities	₱250,015,370	₱101,550,398	₱35,823,090	₱96,720,272	₱264,305,854	₱748,414,984
Repricing gap	₱68,184,026	(₱37,192,803)	(₱2,817,700)	(₱47,139,533)	(₱122,742,750)	(₱141,708,760)
Cumulative gap	68,184,026	30,991,223	28,173,523	(18,966,010)	(141,708,760)	

* Financial instruments that are not subject to repricing/rollforward were excluded

** Receivables from customers excludes residual value of leased assets (Note 10)

***Excludes LTNCD

Parent Company						
2024						
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial Assets*						
Due from BSP and other banks	₱33,464,849	₱5,593,770	₱1,899,764	₱4,386,159	₱21,261,952	₱66,606,494
Interbank loans receivable and securities held under repurchase agreement	107,900,848	16,861,438	—	—	—	124,762,286
Receivable from customers and other receivables - gross**	157,138,553	68,585,452	21,366,921	61,472,689	104,245,092	412,808,708
Total financial assets	₱298,504,250	₱91,040,660	₱23,266,685	₱65,858,848	₱125,507,044	₱604,177,487
Financial Liabilities*						
Deposit liabilities:						
Savings	₱158,530,209	₱72,580,213	₱27,612,373	₱51,165,635	₱264,350,130	₱574,238,560
Time***	87,650,002	40,764,217	6,585,830	4,955,855	4,186,727	144,142,631
Bonds payable	—	—	—	—	17,304,421	17,304,421
Bills and acceptances payable	7,869,449	2,324,009	2,295,405	7,719,588	—	20,208,451
Total financial liabilities	₱254,049,660	₱115,668,439	₱36,493,608	₱63,841,077	₱285,841,278	₱755,894,062
Repricing gap	₱44,454,590	(₱24,627,779)	(₱13,226,923)	(₱2,017,771)	(₱160,334,234)	(₱151,716,575)
Cumulative gap	44,454,590	19,826,811	6,599,888	8,617,659	(151,716,575)	

* Financial instruments that are not subject to repricing/rollforward were excluded.

** Receivable from customers excludes residual value of leased assets (Note 10).

***Excludes LTNCD.



	Parent Company					
	2023					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 Months to 6 Months	More than 6 Months to 1 Year	Beyond 1 year	Total
Financial Assets*						
Due from BSP and other banks	₱53,163,321	₱8,466,394	₱3,186,263	₱7,166,464	₱37,054,532	₱109,036,974
Interbank loans receivable and securities held under repurchase agreement	96,853,751	4,713,657	733,899	830,550	—	103,131,857
Receivable from customers and other receivables - gross**	161,955,806	49,845,326	28,901,960	39,616,354	104,403,594	384,723,040
Total financial assets	₱311,972,878	₱63,025,377	₱32,822,122	₱47,613,368	₱141,458,126	₱596,891,871
Financial Liabilities*						
Deposit liabilities:						
Savings	₱158,566,530	₱56,141,908	₱27,695,715	₱48,995,714	₱248,663,704	₱540,063,571
Time***	85,305,839	39,796,870	6,226,047	5,871,308	4,570,860	141,770,924
Bonds payable	—	—	—	41,490,871	—	41,490,871
Bills and acceptances payable	10,109,071	5,266,998	1,738,607	—	3,047,927	20,162,603
Total financial liabilities	₱253,981,440	₱101,205,776	₱35,660,369	₱96,357,893	₱256,282,491	₱743,487,969
Repricing gap	₱57,991,438	(₱38,180,399)	(₱2,838,247)	(₱48,744,525)	(₱114,824,365)	(₱146,596,098)
Cumulative gap	57,991,438	19,811,039	16,972,792	(31,771,733)	(146,596,098)	

* Financial instruments that are not subject to repricing/rollforward were excluded

** Receivables from customers excludes residual value of leased assets (Note 10)

***Excludes LTNCD

The following table sets forth, for the year indicated, the impact of changes in interest rates on the Group's and the Parent Company's repricing gap for the years ended December 31, 2024 and 2023:

	Consolidated			
	2024		2023	
	Statement of Income	Equity	Statement of Income	Equity
+50bps	₱135,755	₱135,755	₱119,977	₱119,977
-50bps	(135,755)	(135,755)	(119,977)	(119,977)
+100bps	271,509	271,509	239,954	239,954
-100bps	(271,509)	(271,509)	(239,954)	(239,954)

	Parent Company			
	2024		2023	
	Statement of Income	Equity	Statement of Income	Equity
+50bps	₱73,918	₱73,918	₱66,058	₱66,058
-50bps	(73,918)	(73,918)	(66,058)	(66,058)
+100bps	147,837	147,837	132,116	132,116
-100bps	(147,837)	(147,837)	(132,116)	(132,116)

In addition to EaR, the Parent Company also employs economic value-based measures that assess the present value of the expected net cash flows of assets and liabilities, particularly those that are interest-bearing, discounted to reflect market rates. At the same time that fluctuations in interest rates will affect the Parent Company's earnings, these will also have an impact on its net worth or capital position. In coming up with present values, the relevant risk-free rate shall be used to formulate discount factors. Resulting weighted net positions across tenors are aggregated to determine the Economic Value of Equity (EVE) per book and per major currency under different shock scenarios.

Delta EVE is the difference between the total net present value of expected asset and liability cash flows when discounted at prevailing market rates and when discounted against shocked interest rates. Delta EVE is computed based on several interest rate shock scenarios (e.g. parallel up, parallel down, short rates up, short rates down, steepening rates, flattening rates). The scenario with the most



negative Delta EVE, pertaining to the highest decline in net present value, is compared to the medium to long-term Delta EVE trigger, which corresponds to a percentage of the Parent Company's Common Equity Tier 1 (CET1) capital.

The maximum negative Delta EVE capital coming from the steepening rates scenario is at ₱10.5 billion or 7.85% of CET1 and ₱6.2 billion or 5.43% of CET1, as of December 31, 2024 and December 31, 2023, respectively.

As of December 31, 2024, the maximum negative Delta EVE is at ₱10.5 billion or 7.85% of CET1 capital coming from the parallel up rates scenario.

Foreign currency risk

Foreign exchange is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financials and cash flows.

Foreign currency liabilities generally consist of foreign currency deposits in the Parent Company's FCDU books, accounts made in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Parent Company and foreign currency-denominated borrowings appearing in the regular books of the Parent Company.

Foreign currency deposits are generally used to fund the Parent Company's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held through FCDUs. In addition, the BSP requires a 30.00% liquidity eligible reserve on all foreign currency liabilities held through FCDUs. Outside the FCDU, the Parent Company has additional foreign currency assets and liabilities in its foreign branch network.

The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for a financial institution engaged in the type of business in which the Group is involved.

The table below summarizes the exposure to foreign exchange rate risk excluding those under the FCDU, categorized by currency (amounts in Philippine peso equivalent).

	Consolidated					
	2024			2023		
	USD	Others*	Total	USD	Others*	Total
Assets						
COCI and due from BSP	₱116,927	₱823,342	₱940,269	₱119,469	₱425,096	₱544,565
Due from other banks	11,386,859	4,193,010	15,579,869	11,638,822	3,863,354	15,502,176
Interbank loans receivable and securities held under agreements to resell	1,993,708	3,683,161	5,676,869	15,134,491	4,827,144	19,961,635
Loans and receivables	18,941,355	11,721,952	30,663,307	26,835,528	11,551,544	38,387,072
Financial assets at FVTPL	812	—	812	5,029	—	5,029
Financial assets at FVOCI	975,132	1,579,942	2,555,074	866,362	732,743	1,599,105
Investment securities at amortized cost	381,987	621,679	1,003,666	476,337	624,203	1,100,540
Other assets	13,371,776	963,598	14,335,374	11,779,548	1,030,816	12,810,364
Total assets	47,168,556	23,586,684	70,755,240	66,855,586	23,054,900	89,910,486
Liabilities						
Deposit liabilities	₱8,740,905	₱8,643,238	₱17,384,143	₱8,849,451	₱8,963,600	₱17,813,051
Derivative liabilities	2,413	—	2,413	1	—	1
Bills and acceptances payable	8,221,706	79,267	8,300,973	10,510,491	—	10,510,491
Accrued interest payable	41,372	1,580	42,952	86,808	21,671	108,479
Other liabilities	7,719,166	2,301,882	10,021,048	9,378,454	2,494,000	11,872,454
Total liabilities	24,725,562	11,025,967	35,751,529	28,825,205	11,479,271	40,304,476
Net Exposure	₱22,442,994	₱12,560,717	₱35,003,711	₱38,030,381	₱11,575,629	₱49,606,010

*Other currencies pertain to third currencies



	Parent Company					
	2024			2023		
	USD	Others*	Total	USD	Others*	Total
Assets						
COCI and due from BSP	₱52,070	₱246,546	₱298,616	₱51,226	₱167,776	₱219,002
Due from other banks	5,738,354	923,894	6,662,248	6,136,432	1,144,815	7,281,247
Interbank loans receivable and securities held under agreements to resell	1,594,955	2,573,865	4,168,820	14,362,997	3,348,733	17,711,730
Loans and receivables	16,779,768	22,100	16,801,868	24,700,030	24,636	24,724,666
Financial assets at FVTPL	—	—	—	44	—	44
Financial assets at FVOCI	975,132	1,415,646	2,390,778	866,362	572,357	1,438,719
Investment securities at amortized cost	—	621,679	621,679	6,376	624,203	630,579
Other assets	13,364,004	—	13,364,004	11,745,510	—	11,745,510
Total assets	38,504,283	5,803,730	44,308,013	57,868,977	5,882,520	63,751,497
Liabilities						
Deposit liabilities	2,404,861	5,314,275	7,719,136	2,275,877	5,538,066	7,813,943
Derivative liabilities	53	—	53	1	—	1
Bills and acceptances payable	8,221,706	79,267	8,300,973	10,510,491	—	10,510,491
Accrued interest payable	41,372	1,580	42,952	54,986	1,499	56,485
Other liabilities	7,309,695	1,877,022	9,186,717	9,036,932	1,996,722	11,033,654
Total liabilities	17,977,687	7,272,144	25,249,831	21,878,287	7,536,287	29,414,574
Net Exposure	₱20,526,596	(₱1,468,414)	₱19,058,182	₱35,990,690	(₱1,653,767)	₱34,336,923

* Other currencies pertain to third currencies

The exchange rates used to convert the Group and the Parent Company's US dollar-denominated assets and liabilities into Philippine peso were ₱57.85 to USD1.00 as of December 31, 2024 and ₱55.37 to USD1.00 as of December 31, 2023. The following tables set forth the impact of the range of reasonably possible changes in the USD:PHP exchange rate on the Group and the Parent Company's income before income tax and equity which includes the impact on the income (due to the revaluation of monetary assets and liabilities) for the years ended December 31, 2024 and 2023:

	2024			
	Consolidated		Parent Company	
	Statement of Income	Equity	Statement of Income	Equity
+1.00%	₱215,387	(₱225,138)	₱195,515	(₱205,266)
-1.00%	(215,387)	225,138	(195,515)	205,266

	2023			
	Consolidated		Parent Company	
	Statement of Income	Equity	Statement of Income	Equity
+1.00%	₱371,640	(₱380,304)	₱351,243	(₱359,907)
-1.00%	(371,640)	380,304	(351,243)	359,907

The Group and the Parent Company do not expect the impact of the volatility on other currencies to be material.



5. Fair Value Measurement

The Group uses the following methods and assumptions in estimating the fair value of its assets and liabilities:

Assets and Liabilities	Fair value methodologies
Cash equivalents	At carrying amounts due to their relatively short-term maturity
Derivatives	Based on either: • quoted market prices; • prices provided by independent parties; or • prices derived using acceptable valuation models
Debt securities	For quoted securities – based on market prices from debt exchanges For unquoted securities ¹ – estimated using either: • quoted market prices of comparable investments; or • discounted cash flow methodology
Equity securities	For quoted securities – based on market prices from stock exchanges For unquoted securities – estimated using either: • quoted market prices of comparable investments ²; or • adjusted net asset value method ³ and applying a discount for lack of marketability
Loans and receivables	For loans with fixed interest rates – estimated using the discounted cash flow methodology ⁴ For loans with floating interest rates – at their carrying amounts
Investment properties	Appraisal by independent external and in-house appraisers based on highest and best use of the property (i.e., current use of the properties) ⁵ using either: • market data approach ⁶; or • replacement cost approach ⁷
Short-term financial liabilities	At carrying amounts due to their relatively short-term maturity
Long-term financial liabilities	For quoted debt issuances – based on market prices from debt exchanges For unquoted debt issuances – estimated using the discounted cash flow methodology ⁸

Notes:

¹ using interpolated PHP BVAL rates provided by the Philippine Dealing and Exchange Corporation (for government securities) and PHP BVAL rates plus additional credit spread (for corporate/private securities)

² using the most relevant multiples (e.g., earnings, book value)

³ measures the company's value by adjusting the carrying value of its assets to their fair values, and then subtracting the fair value of its liabilities

⁴ using the current incremental lending rates for similar loans

⁵ considering other factors such as size, shape and location of the properties, price per square meter, reproduction costs new, time element, discount, among others

⁶ using recent sales of similar properties within the same vicinity and considering the economic conditions prevailing at the time of the valuations and comparability of similar properties sold

⁷ estimating the investment required to duplicate the property in its present condition

⁸ using the current incremental borrowing rates for similar borrowings



Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level of input that is significant to their fair value measurement is unobservable

The Group and the Parent Company held the following assets and liabilities measured at fair value, and at cost but for which fair values are disclosed:

	Consolidated				
	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at fair value:					
Financial Assets					
Financial assets at FVTPL:					
Government securities	₱16,181,821	₱9,280,986	₱6,900,835	₱—	₱16,181,821
Private debt securities	649,191	646,996	2,195	—	649,191
Derivative assets	1,087,107	—	1,087,107	—	1,087,107
Equity securities	2,866	2,866	—	—	2,866
Financial assets at FVOCI:					
Government securities	167,824,773	84,332,614	83,492,159	—	167,824,773
Equity securities	28,339,810	2,390,053	671,154	25,278,603	28,339,810
Private debt securities	15,578,200	8,144,021	7,434,179	—	15,578,200
	₱229,663,768	₱104,797,536	₱99,587,629	₱25,278,603	₱229,663,768
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱924,053	₱—	₱924,053	₱—	₱924,053
Fair values are disclosed:					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost*	₱112,422,382	₱44,626,557	₱67,159,150	₱—	₱111,785,707
Receivables from customers**	626,089,235	—	—	657,189,212	657,189,212
	₱738,511,617	₱44,626,557	₱67,159,150	₱657,189,212	₱768,974,919
Nonfinancial Assets					
Investment property:					
Land***	₱12,656,948	₱—	₱—	₱30,731,999	₱30,731,999
Buildings and improvements***	3,307,319	—	—	5,820,255	5,820,255
	₱15,964,267	₱—	₱—	₱36,552,254	₱36,552,254
Financial Liabilities					
Financial liabilities at amortized cost:					
Time deposits	₱147,368,732	₱—	₱—	₱147,177,687	₱147,177,687
LTNCDs	4,598,770	—	4,541,491	—	4,541,491
Bonds payable	17,304,421	—	17,001,745	—	17,001,745
Bills payable	14,152,442	—	—	14,152,442	14,152,442
	₱183,424,365	₱—	₱21,543,236	₱161,330,129	₱182,873,365

* Net of expected credit losses (Note 9)

** Net of expected credit losses and unearned and other deferred income (Note 10)

*** Net of impairment losses (Note 13)



Consolidated 2023					
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at fair value:					
Financial Assets					
Financial assets at FVTPL:					
Government securities	₱8,174,405	₱2,633,602	₱5,540,803	₱—	₱8,174,405
Private debt securities	1,590,489	914,210	676,279	—	1,590,489
Derivative assets	749,199	—	749,199	—	749,199
Equity securities	2,771	2,771	—	—	2,771
Financial assets at FVOCI:					
Government securities	124,372,410	46,682,566	77,689,844	—	124,372,410
Equity securities	25,978,530	200,709	1,014,081	24,763,740	25,978,530
Private debt securities	14,180,552	6,944,140	7,236,412	—	14,180,552
	₱175,048,356	₱57,377,998	₱92,906,618	₱24,763,740	₱175,048,356
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱555,811	₱—	₱555,811	₱—	₱555,811
Fair values are disclosed:					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost*	₱123,200,427	₱24,840,676	₱98,730,596	₱—	₱123,571,272
Receivables from customers**	604,188,788	—	—	623,817,129	623,817,129
	₱727,389,215	₱24,840,676	₱98,730,596	₱623,817,129	₱747,388,401
Nonfinancial Assets					
Investment property:					
Land***	₱12,359,795	₱—	₱—	₱26,228,453	₱26,228,453
Buildings and improvements***	2,219,763	—	—	7,975,404	7,975,404
	₱14,579,558	₱—	₱—	₱34,203,857	₱34,203,857
Financial Liabilities					
Financial liabilities at amortized cost:					
Time deposits	₱145,752,061	₱—	₱—	₱145,538,240	₱145,538,240
LTNCDs	12,803,543	—	12,586,489	—	12,586,489
Bonds payable	41,490,871	—	40,625,938	—	40,625,938
Bills payable	10,607,626	—	—	10,559,411	10,559,411
	₱210,654,101	₱—	₱53,212,427	₱156,097,651	₱209,310,078

* Net of expected credit losses (Note 9)

** Net of expected credit losses and unearned and other deferred income (Note 10)

*** Net of impairment losses (Note 13)

Parent Company 2024					
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at fair value:					
Financial Assets					
Financial assets at FVTPL:					
Government securities	₱16,181,821	₱9,280,986	₱6,900,835	₱—	₱16,181,821
Private debt securities	502,026	499,831	2,195	—	502,026
Derivative assets	1,086,295	—	1,086,295	—	1,086,295
Financial assets at FVOCI:					
Government securities	167,529,568	83,864,849	83,664,719	—	167,529,568
Equity securities	28,166,082	2,389,883	497,596	25,278,603	28,166,082
Private debt securities	15,574,684	8,144,021	7,430,663	—	15,574,684
	₱229,040,476	₱104,179,570	₱99,582,303	₱25,278,603	₱229,040,476
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱921,693	₱—	₱921,693	₱—	₱921,693

(Forward)



Parent Company					
2024					
	Carrying Value	Level 1	Level 2	Level 3	Total
Fair values are disclosed:					
Financial Assets					
Financial assets at amortized cost					
Investment securities at amortized cost*	₱112,040,395	₱44,244,571	₱67,159,150	₱—	₱111,403,721
Receivables from customers**	612,043,695	—	—	643,143,671	643,143,671
	₱724,084,090	₱44,244,571	₱67,159,150	₱643,143,671	₱754,547,392
Nonfinancial Assets					
Investment property:					
Land***	₱12,089,552	₱—	₱—	₱30,395,861	₱30,395,861
Buildings and improvements***	3,455,365	—	—	5,755,096	5,755,096
	15,544,917	₱—	₱—	36,150,957	36,150,957
Financial Liabilities					
Financial liabilities at amortized cost:					
Time deposits	₱144,142,631	₱—	₱—	₱143,951,586	₱143,951,586
LTNCDs	4,598,770	—	4,541,491	—	4,541,491
Bonds payable	17,304,421	—	17,001,745	—	17,001,745
Bills payable	14,152,442	—	—	14,152,442	14,152,442
	₱180,198,264	₱—	₱21,543,236	₱158,104,028	₱179,647,264

* Net of expected credit losses (Note 9)

** Net of expected credit losses and unearned and other deferred income (Note 10)

*** Net of impairment losses (Note 13)

Parent Company					
2023					
	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at fair value:					
Financial Assets					
Financial assets at FVTPL:					
Government securities	₱8,174,405	₱2,633,602	₱5,540,803	₱—	₱8,174,405
Private debt securities	1,444,641	768,361	676,280	—	1,444,641
Derivative assets	744,213	—	744,213	—	744,213
Financial assets at FVOCI:					
Government securities	124,081,774	46,219,370	77,862,404	—	124,081,774
Equity securities	25,903,360	200,539	939,081	24,763,740	25,903,360
Private debt securities	14,151,837	6,915,425	7,236,412	—	14,151,837
	₱174,500,230	₱56,737,297	₱92,999,193	₱24,763,740	₱174,500,230
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱555,811	₱—	₱555,811	₱—	₱555,811
Fair values are disclosed:					
Financial Assets					
Financial assets at amortized cost					
Investment securities at amortized cost*	₱122,730,465	₱24,370,714	₱98,730,596	₱—	₱123,101,310
Receivables from customers**	590,301,047	—	—	609,930,601	609,930,601
	₱713,031,512	₱24,370,714	₱98,730,596	₱609,930,601	₱733,031,911
Nonfinancial Assets					
Investment property:					
Land***	₱11,807,630	₱—	₱—	₱25,628,608	₱25,628,608
Buildings and improvements***	2,303,976	—	—	7,806,117	7,806,117
	₱14,111,606	₱—	₱—	₱33,434,725	₱33,434,725
Financial Liabilities					
Financial liabilities at amortized cost:					
Time deposits	₱141,770,924	₱—	₱—	₱141,557,103	₱141,557,103
LTNCDs	12,803,543	—	12,586,489	—	12,586,489
Bonds payable	41,490,871	—	40,625,938	—	40,625,938
Bills payable	10,607,626	—	—	10,559,411	10,559,411
	₱206,672,964	₱—	₱53,212,427	₱152,116,514	₱205,328,941

* Net of expected credit losses (Note 9)

** Net of expected credit losses and unearned and other deferred income (Note 10)

*** Net of impairment losses (Note 13)



As of December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements.

The following table summarizes the significant unobservable inputs used to calculate the fair value of Level 3 financial assets at FVOCI of the Group and the Parent Company as of December 31, 2024 and 2023 and the range of values indicating the highest and lowest level input used in the valuation techniques.

	Significant Unobservable Input	2024 -2%	+2%	2023 -2%	+2%
Equity securities	Discount for lack of marketability	₱601,974	(₱601,974)	₱588,436	(₱588,436)

For certain unquoted equity securities, the Group imputes a discount for lack of marketability which is a valuation consideration often based on observed data and empirical evidence. Certain valuation studies suggest that private companies typically sell at lower transaction pricing multiples than similar public companies.

6. Segment Information

6.1 Business Segments

The Group's operating businesses are determined and managed separately according to the nature of services provided and the different markets served with each segment representing a strategic business unit. The Group's business segments follow:

- Retail Banking - principally handling individual customer's deposits, and providing consumer type loans, credit card facilities and fund transfer facilities;
- Corporate Banking - principally handling loans and other credit facilities and deposit accounts for corporate and institutional customers;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of Treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking; and
- Other Segments - include, but not limited to, trust, leasing, remittances and other support services. Other support services of the Group comprise of operations and finance.

Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is credited to or charged against business segments based on pool rate which approximates the marginal cost of funds.

For management purposes, business segment report is done on a quarterly basis. Business segment information provided to the BOD, the chief operating decision maker (CODM), is based on the reportorial requirements under the Regulatory Accounting Principles (RAP) of the BSP, which differ from PFRS due to the manner of provisioning for impairment and credit losses, measurement of investment properties, and the fair value measurement of financial instruments. The report submitted to CODM represents only the results of operation for each of the reportable segment.



Segment assets are those operating assets that are employed by a segment in its operating activities and that either are 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.

Segment revenues pertain to the net interest margin and other operating income earned by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

The Group has no significant customer which contributes 10.00% or more of the consolidated revenue.

Business segment information of the Group follows:

	2024					
	Retail Banking	Corporate Banking	Treasury	Others	Adjustments and Eliminations*	Total
Net interest margin						
Third party	(P2,452,001)	P30,293,075	P21,578,661	P	(P79,265)	P49,340,470
Inter-segment	31,620,138	(18,404,659)	(13,215,479)	—	—	—
Net interest margin after inter-segment transactions	29,168,137	11,888,416	8,363,182	—	(79,265)	49,340,470
Other income	5,327,067	2,906,587	1,635,190	1,647,580	365,830	11,882,254
Segment revenue	34,495,204	14,795,003	9,998,372	1,647,580	286,565	61,222,724
Other expenses	14,742,420	7,046,665	1,357,644	1,079,763	286,565	24,513,057
Segment result	P19,752,784	P7,748,338	P8,640,728	P567,817	P—	36,709,667
Unallocated expenses						10,431,970
Income before income tax						26,277,697
Income tax						5,099,732
Net income						21,177,965
Non-controlling interests						125,069
Net income for the year attributable to equity holders of the Parent Company						P21,052,896
Other segment information:						
Capital expenditures	P215,994	P78,006	P15,021	P6,951	P—	P315,972
Unallocated capital expenditures						1,076,413
Total capital expenditures						P1,392,386
Depreciation and amortization	P1,053,740	P670,686	P22,533	P146,894	P—	P1,893,854
Unallocated depreciation and amortization						1,765,162
Total depreciation and amortization						P3,659,014
Provision for impairment, credit and other losses	P318,822	P3,450,344	P53,875	P45,071	P—	P3,868,111

* The adjustments and eliminations column mainly represent the RAP to PFRS Accounting Standards adjustments



2023						
	Retail Banking	Corporate Banking	Treasury	Others	Adjustments and Eliminations*	Total
Net interest margin						
Third party	(P717,463)	P28,943,234	P16,370,415	P91,085	(P94,428)	P44,592,843
Inter-segment	28,959,163	(16,642,135)	(12,317,028)	—	—	—
Net interest margin after inter-segment transactions	28,241,700	12,301,099	4,053,387	91,085	(94,428)	44,592,843
Other income	5,053,691	6,180,122	1,433,814	1,580,429	(214,234)	14,033,822
Segment revenue	33,295,391	18,481,221	5,487,201	1,671,514	(308,662)	58,626,665
Other expenses	13,242,125	9,270,074	1,133,976	1,844,253	(308,662)	25,181,766
Segment result	P20,053,266	P9,211,147	P4,353,225	(P172,739)	P—	33,444,899
Unallocated expenses						11,471,704
Income before income tax						21,973,195
Income tax						4,007,375
Net income						17,965,820
Non-controlling interests						(13,437)
Net income for the year attributable to equity holders of the Parent Company						P17,979,257
Other segment information:						
Capital expenditures	P348,679	P147,739	P5,350	P141,085	P—	P642,853
Unallocated capital expenditures						375,975
Total capital expenditures						P1,018,828
Depreciation and amortization	P1,182,493	P424,316	P19,483	P293,714	P—	P1,920,006
Unallocated depreciation and amortization						2,056,063
Total depreciation and amortization						P3,976,069
Provision for impairment, credit and other losses	P160,141	P5,804,991	(P69,600)	P27,522	P—	P5,923,054

* The adjustments and eliminations column mainly represent the RAP to PFRS adjustments

2022						
	Retail Banking	Corporate Banking	Treasury	Others	Adjustments and Eliminations*	Total
Net interest margin						
Third party	P1,067,003	P27,860,354	P8,535,524	P20,517	(P155,828)	P37,327,570
Inter-segment	20,436,564	(13,698,864)	(6,737,700)	—	—	—
Net interest margin after inter-segment transactions	21,503,567	14,161,490	1,797,824	20,517	(155,828)	37,327,570
Other income	5,008,794	8,159,543	(128,555)	3,629,778	(488,667)	16,180,893
Segment revenue	26,512,361	22,321,033	1,669,269	3,650,295	(644,495)	53,508,463
Other expenses	13,047,668	9,261,629	628,690	2,069,057	(644,495)	24,362,549
Segment result	P13,464,693	P13,059,404	P1,040,579	P1,581,238	P—	29,145,914
Unallocated expenses						12,630,698
Income before income tax						16,515,216
Income tax						4,931,228
Net income						11,583,988
Non-controlling interests						51,670
Net income for the year attributable to equity holders of the Parent Company						P11,532,318
Other segment information:						
Capital expenditures	P166,520	P26,621	P19,998	P9,628	P—	P222,767
Unallocated capital expenditures						1,205,888
Total capital expenditures						P1,428,655
Depreciation and amortization	P1,308,317	P399,629	P45,770	P351,829	P—	P2,105,545
Unallocated depreciation and amortization						2,120,201
Total depreciation and amortization						P4,225,746
Provision for (reversal of) impairment, credit and other losses	P840,755	P5,281,808	(P8,104)	P1,083,658	P—	P7,198,117

* The adjustments and eliminations column mainly represent the RAP to PFRS adjustments



As of December 31, 2024						
	Retail Banking	Corporate Banking	Treasury	Others	Adjustments and Eliminations*	Total
Segment assets	₱720,134,571	₱355,055,573	₱85,145,453	₱114,961,848	(₱17,686,592)	₱1,257,610,853
Segment liabilities	₱696,116,123	₱294,672,764	₱46,098,678	₱23,847,015	(₱19,752,668)	₱1,040,981,912

* The adjustments and eliminations column mainly represent the RAP to PFRS adjustments

As of December 31, 2023						
	Retail Banking	Corporate Banking	Treasury	Others	Adjustments and Eliminations*	Total
Segment assets	₱681,077,435	₱296,973,331	₱162,833,376	₱91,208,829	(₱21,543,571)	₱1,210,549,400
Segment liabilities	₱655,716,486	₱277,504,592	₱73,979,402	₱34,548,168	(₱22,347,902)	₱1,019,400,746

* The adjustments and eliminations column mainly represent the RAP to PFRS adjustments

6.2 Geographical Segments

Although the Group's businesses are managed on a worldwide basis, the Group operates in four principal geographical areas of the world. The distribution of assets, liabilities, credit commitments, capital expenditures, and revenues by geographic region of the Group follows:

	Non-current Assets*		Liabilities		Credit Commitments	
	2024	2023	2024	2023	2024	2023
Philippines	₱512,659,841	₱483,441,271	₱1,004,841,665	₱981,819,485	₱53,614,874	₱46,642,445
Asia (excluding Philippines)	14,987,916	15,782,479	32,134,134	31,573,388	—	—
USA and Canada	2,705,244	2,486,207	3,879,385	5,895,426	—	—
United Kingdom	645	328	126,728	112,447	—	—
	₱530,353,646	₱501,710,285	₱1,040,981,912	₱1,019,400,746	₱53,614,874	₱46,642,445

* Gross of allowance for impairment and credit losses (Note 16) and unearned and other deferred income (Note 10)

	Capital Expenditures			Revenues		
	2024	2023	2022	2024	2023	2022
Philippines	₱1,369,057	₱1,015,634	₱1,394,685	₱75,345,161	₱69,828,059	₱59,259,052
Asia (excluding Philippines)	818	2,173	33,178	2,956,452	2,639,017	1,221,488
USA and Canada	2,227	1,021	792	913,107	1,042,962	839,476
United Kingdom	6,570	—	—	126,124	118,313	105,279
	₱1,378,672	₱1,018,828	₱1,428,655	₱79,340,844	₱73,628,351	₱61,425,295

The Philippines is the home country of the Parent Company, which is also the main operating company. The Group offers a wide range of financial services as discussed in Note 1. Additionally, most of the remittance services are managed and conducted in Asia, Canada, USA and United Kingdom. The areas of operations include all the primary business segments.

7. Due from Bangko Sentral ng Pilipinas

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Demand deposit (Note 17)	₱44,628,316	₱78,372,794	₱44,628,316	₱78,372,794
Overnight deposit facility (ODF)	10,500,000	15,000,000	10,500,000	15,000,000
Term deposit facility (TDF)	—	2,037,556	—	2,037,556
	₱55,128,316	₱95,410,350	₱55,128,316	₱95,410,350



In 2024, 2023 and 2022, the combined interest income on ODF and TDF of the Group and the Parent Company amounted to ₱1.0 billion, ₱1.8 billion and ₱1.2 billion, respectively, with interest rates ranging from:

	2024	2023	2022
ODF	5.25% - 6.00%	5.00% - 6.00%	1.50% - 5.00%
TDF	6.00% - 6.65%	6.28% - 6.75%	1.66% - 6.43%

8. Interbank Loans Receivable and Securities Held Under Agreements to Resell

8.1 Interbank Loans Receivables

Interbank loans receivables of the Group and the Parent Company bear interest ranging from:

	2024	2023	2022
Peso-denominated	5.9% - 6.6%	5.5% - 6.4%	1.5% - 6.4%
Foreign currency-denominated	0.0% - 5.6%	0.9% - 6.1%	0.4% - 5.3%

The amount of the Group's and the Parent Company's interbank loans receivable considered as cash and cash equivalents follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Interbank loans receivable	₱22,793,332	₱35,642,485	₱21,287,758	₱33,445,364
Less: Allowance for credit losses (Note 16)	6,138	8,045	5,591	8,045
	22,787,194	35,634,440	21,282,167	33,437,319
Less: Interbank loans receivable not considered as cash and cash equivalents	2,925,553	4,678,674	1,734,903	3,502,399
	₱19,861,641	₱30,955,766	₱19,547,264	₱29,934,920

8.2 Securities Held Under Agreements to Resell

Securities held under agreements to resell bear interest ranging from 4.42% to 6.85% in 2024, from 4.20% to 7.00% in 2023, and from 2.00% to 5.50% in 2022. As of December 31, 2024 and 2023, allowance for credit losses on securities held under agreements to resell amounted to ₱46.2 million and ₱14.2 million, respectively (refer to Note 16.2).

The fair value of the treasury bills pledged under these agreements as of December 31, 2024 and 2023 amounted to ₱104.9 billion and ₱57.8 billion for the Group and the Parent Company (refer to Note 35).

8.3 Interest Income on Interbank Loans Receivable and Securities Held Under Agreements to Resell

In 2024, 2023 and 2022, interest income on interbank loans receivable and securities held under agreements to resell amounted to ₱4.6 billion, ₱3.4 billion, and ₱954.6 million, respectively, for the Group and ₱4.6 billion, ₱3.4 billion, and ₱896.7 million, respectively, for the Parent Company.



9. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Financial assets at FVTPL	₱17,920,985	₱10,516,864	₱17,770,142	₱10,363,259
Financial assets at FVOCI	211,742,783	164,531,492	211,270,334	164,136,971
Investment securities at amortized cost	112,422,382	123,200,427	112,040,395	122,730,465
	₱342,086,150	₱298,248,783	₱341,080,871	₱297,230,695

9.1 Financial Assets at FVTPL

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Government securities	₱16,181,821	₱8,174,405	₱16,181,821	₱8,174,405
Private debt securities	649,191	1,590,489	502,026	1,444,641
Derivative assets (Notes 23 and 35)	1,087,107	749,199	1,086,295	744,213
Equity securities	2,866	2,771	—	—
	₱17,920,985	₱10,516,864	₱17,770,142	₱10,363,259

The nominal interest rates of debt securities at FVTPL of the Group and the Parent Company range from:

	2024	2023	2022
Government securities	0.6% - 8.6%	1.4% - 8.6%	1.4% - 8.0%
Private debt securities	4.9% - 6.9%	2.8% - 8.8%	4.9% - 6.9%

9.2 Financial Assets at FVOCI

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Government securities (Note 19)	₱167,824,773	₱124,372,410	₱167,529,568	₱124,081,774
Private debt securities (Note 19)	15,578,200	14,180,552	15,574,684	14,151,837
Equity securities				
Quoted	2,831,277	1,049,195	2,657,550	974,025
Unquoted (Note 33)	25,508,533	24,929,335	25,508,532	24,929,335
	₱211,742,783	₱164,531,492	₱211,270,334	₱164,136,971

Unquoted equity securities include the Parent Company's retained 49.00% interest in PNB Holdings Corporation (PNB Holdings) amounting to ₱25.1 billion and ₱24.6 billion as of December 31, 2024 and 2023, respectively (refer to Note 12.4). The fair value was determined using the adjusted net asset value method as discussed in Note 5. Further, the Parent Company applied 16.50% discount, being a non-listed company, by referring to a number of recent initial public offerings of comparative entities.



In April 2024, the Bank and PAL Holdings, Inc. completed a share swap transaction wherein the Bank exchanged the 19.86 million PAL shares held to 309.15 million PAL Holdings, Inc. shares. The share swap transaction resulted in the recycling of OCI to Surplus in the amount of ₱894.90 million and recognition of Other Equity Reserves amounting to ₱940.17 million. PAL Holdings, Inc. shares are recognized in the books as FVOCI amounting ₱1.53 billion as of December 31, 2024.

The effective interest rates of debt securities at FVOCI of the Group and the Parent Company range from:

	2024	2023	2022
Government securities	0.6% - 14.9%	0.2% - 19.1%	0.2% - 26.2%
Private debt securities	0.5% - 6.9%	0.5% - 6.4%	0.5% - 6.4%

As of December 31, 2024 and 2023, the fair value of FVOCI in the form of government bonds pledged to fulfill its collateral requirements with securities sold under repurchase agreement transactions amounted to ₱12.0 billion and ₱6.5 billion, respectively (refer to Note 19.1). The counterparties have an obligation to return the securities to the Parent Company once the obligations have been settled. In case of default, the counterparties have the right to hold the securities and sell them as settlement of the repurchase agreement.

The movements in 'Net unrealized gains (losses) on financial assets at FVOCI' of the Group and the Parent Company are as follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Balance at the beginning of the year	(₱1,722,653)	(₱5,959,275)	(₱1,722,653)	(₱5,959,275)
Changes in fair values:				
Debt securities	1,455,450	2,581,505	1,457,367	2,558,481
Equity securities	1,336,767	1,368,570	1,322,549	1,368,570
Share swap transaction	(894,900)	—	(894,900)	—
Share in net unrealized gains (losses) of subsidiaries and an associate (Note 12)	(49,895)	362,392	(35,694)	382,058
Provisions for (reversals of) credit losses (Note 16)	23,250	(75,912)	21,401	(72,676)
Sale of equity securities	(6,969)	—	(6,969)	—
Realized losses (gains) on sale of debt securities	51	(122)	—	—
	141,101	(1,722,842)	141,101	(1,722,842)
Income tax effect (Note 30)	1,033	189	1,033	189
	₱142,134	(₱1,722,653)	₱142,134	(₱1,722,653)

As of December 31, 2024 and 2023, the allowance for credit losses on debt securities at FVOCI (included in 'Net unrealized losses on financial assets at FVOCI') amounted to ₱68.1 million and ₱45.7 million, respectively, for the Group, and ₱68.1 million and ₱46.8 million, respectively, for the Parent Company (refer to Note 16.2). Movements in ECL on debt securities at FVOCI are mostly driven by movements in the corresponding gross figures.



9.3 Investment Securities at Amortized Cost

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Government securities (Notes 19 and 32)	₱96,817,380	₱104,533,382	₱96,435,393	₱104,063,420
Private debt securities	15,752,472	18,822,880	15,752,472	18,822,880
	112,569,852	123,356,262	112,187,865	122,886,300
Less allowance for credit losses (Note 16)	147,470	155,835	147,470	155,835
	₱112,422,382	₱123,200,427	₱112,040,395	₱122,730,465

The effective interest rates of investment securities at amortized cost of the Group and the Parent Company range from:

	2024	2023	2022
Government securities	0.8% - 7.5%	0.8% - 7.5%	0.8% - 7.5%
Private debt securities	1.0% - 8.3%	1.0% - 8.3%	0.8% - 8.3%

In 2024 and 2023, movements in allowance for expected credit losses on investment securities at amortized cost are mostly driven by newly originated assets which mostly remained in Stage 1.

As of December 31, 2024 and 2023, the fair value of investment securities at amortized cost in the form of government bonds pledged to fulfill its collateral requirements with securities sold under repurchase agreements transactions amounted to ₱2.4 billion and ₱5.5 billion, respectively, with corresponding carrying value of the same amount (refer to Note 19.1). As of December 31, 2024 and 2023, government securities with carrying values of ₱1.9 billion and ₱1.8 billion, respectively, are deposited with the BSP in compliance with trust regulations (refer to Note 32).

As of December 31, 2024 and 2023, the Group set aside government securities booked under 'Investment securities at amortized cost' with total carrying value of ₱363.4 million and ₱363.3 million, respectively, as liquidity cover for 50.0% of the outstanding balances of electronic money (e-money) products in compliance with BSP Circular 1166, *Amendments to the Regulations on Electronic Money and the Operations of Electronic Money Issuers in the Philippines*. This is on top of the fund held in trust to cover for the other 50.0% of the outstanding e-money balances (refer to Note 15).

9.4 Interest Income on Investment Securities at Amortized Cost and FVOCI

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Financial assets at FVOCI	₱10,407,888	₱5,509,001	₱4,442,846	₱10,375,649	₱5,468,097	₱4,432,605
Investment securities at amortized cost	6,369,819	7,099,169	3,712,076	6,357,707	7,092,433	3,710,487
	₱16,777,707	₱12,608,170	₱8,154,922	₱16,733,356	₱12,560,530	₱8,143,092



9.5 Trading and Investment Securities Gains (Losses) - net

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Financial assets at FVTPL						
Government securities	₱619,254	₱411,828	(₱146,580)	₱619,254	₱411,828	(₱146,580)
Private debt securities	29,295	(12,928)	(64,458)	27,979	(12,280)	(61,631)
Equity securities	95	(170)	(197)	—	(44)	—
Derivatives (Note 23)	(1,115)	609	—	(1,115)	609	—
Financial assets at FVOCI						
Private debt securities	51	122	(1,058,318)	—	—	(1,058,318)
Government securities	—	—	—	—	—	—
Investment securities at amortized cost	—	(5,358)	(11,230)	—	(5,358)	(11,230)
	₱647,580	₱394,103	(₱1,280,783)	₱646,118	₱394,755	(₱1,277,759)

Trading losses on investment securities at amortized cost pertain to investments which were redeemed by the respective issuers prior to their contractual maturity.

10. Loans and Receivables

10.1 Breakdown of Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Receivables from customers:				
Loans and discounts	₱627,885,539	₱607,065,797	₱614,772,869	₱593,955,389
Credit card receivables	18,063,885	15,232,845	18,063,885	15,232,845
Customers' liabilities on acceptances (Note 19)	6,126,005	9,533,137	6,012,626	9,533,137
Customers' liabilities on letters of credit and trust receipts	9,177,471	8,688,649	9,177,471	8,559,900
Bills purchased (Note 22)	3,829,665	1,949,627	3,265,010	1,560,465
Lease contracts receivable (Note 29)	—	8,399	—	—
	665,082,565	642,478,454	651,291,861	628,841,736
Other receivables:				
Accrued interest receivable	8,783,078	8,179,147	8,625,740	8,007,891
Accounts receivable	3,964,379	5,180,198	3,451,030	4,468,991
Sales contract receivables	1,589,298	3,760,162	1,565,601	3,722,879
Miscellaneous	454,556	366,090	441,651	347,797
	14,791,311	17,485,597	14,084,022	16,547,558
	679,873,876	659,964,051	665,375,883	645,389,294
Less: Unearned and other deferred income	845,862	681,399	828,479	663,303
Allowance for credit losses (Note 16)	42,208,389	42,571,906	42,155,234	42,567,228
	₱636,819,625	₱616,710,746	₱622,392,170	₱602,158,763

Included in 'Surplus reserves' is the amount of ₱4.2 billion and ₱3.9 billion as of December 31, 2024 and 2023, respectively, which pertains to the excess of 1.00% general loan loss provisions over the computed ECL for Stage 1 accounts as prescribed by BSP Circular 1011, *Guidelines on the Adoption of PFRS 9* (refer to Note 25.3).



Below is the reconciliation of loans and receivables as to classes:

	Consolidated								Total
	Corporate Loans	LGU	Credit Cards	Retail SMEs	Housing Loans	Auto Loans	Other Loans	Other Receivables	
Receivables from customers:									
Loans and discounts	₱581,108,848	₱1,728,247	₱-	₱5,337,167	₱26,744,123	₱6,225,467	₱6,741,687	₱-	₱627,885,539
Credit card receivables	-	-	18,063,885	-	-	-	-	-	18,063,885
Customers' liabilities on letters of credit and trust receipts	8,949,225	-	-	134,477	-	-	93,769	-	9,177,471
Customers' liabilities on acceptances (Note 19)	6,126,005	-	-	-	-	-	-	-	6,126,005
Bills purchased (Note 22)	1,694,021	-	-	19,290	-	-	2,116,354	-	3,829,665
	597,878,099	1,728,247	18,063,885	5,490,934	26,744,123	6,225,467	8,951,810	-	665,082,565
Other receivables:									
Accrued interest receivable	-	-	-	-	-	-	-	8,783,078	8,783,078
Accounts receivable	-	-	-	-	-	-	-	3,964,379	3,964,379
Sales contract receivables (Note 33)	-	-	-	-	-	-	-	1,589,298	1,589,298
Miscellaneous	-	-	-	-	-	-	-	454,556	454,556
	597,878,099	1,728,247	18,063,885	5,490,934	26,744,123	6,225,467	8,951,810	14,791,311	679,873,876
Less: Unearned and other deferred income	541,796	8,246	-	14,873	(362)	(95,094)	389,733	(13,330)	845,862
Allowance for credit losses (Note 16)	29,967,100	63,709	1,538,907	1,034,459	3,756,163	740,801	1,046,330	4,060,920	42,208,389
	₱567,369,203	₱1,656,292	₱16,524,978	₱4,441,602	₱22,988,322	₱5,579,760	₱7,515,747	₱10,743,721	₱636,819,625

	Consolidated								Total
	Corporate Loans	LGU	Credit Cards	Retail SMEs	Housing Loans	Auto Loans	Other Loans	Other Receivables	
Receivables from customers:									
Loans and discounts	₱553,835,945	₱2,275,508	₱-	₱5,313,357	₱28,300,937	₱6,501,496	₱10,838,554	₱-	₱607,065,797
Credit card receivables	-	-	15,232,845	-	-	-	-	-	15,232,845
Customers' liabilities on acceptances (Note 19)	9,533,137	-	-	-	-	-	-	-	9,533,137
Customers' liabilities on letters of credit and trust receipts	8,531,369	-	-	63,517	-	-	93,763	-	8,688,649
Bills purchased (Note 22)	551,939	-	-	2,503	-	-	1,395,185	-	1,949,627
Lease contracts receivable (Note 29)	-	-	-	8,399	-	-	-	-	8,399
	572,452,390	2,275,508	15,232,845	5,387,776	28,300,937	6,501,496	12,327,502	-	642,478,454
Other receivables:									
Accrued interest receivable	-	-	-	-	-	-	-	8,179,147	8,179,147
Accounts receivable	-	-	-	-	-	-	-	5,180,198	5,180,198
Sales contract receivables (Note 33)	-	-	-	-	-	-	-	3,760,162	3,760,162
Miscellaneous	-	-	-	-	-	-	-	366,090	366,090
	572,452,390	2,275,508	15,232,845	5,387,776	28,300,937	6,501,496	12,327,502	17,485,597	659,964,051
Less: Unearned and other deferred income	254,664	9,183	-	15,728	(354)	(1,287)	402,252	1,213	681,399
Allowance for credit losses (Note 16)	28,281,510	70,291	1,315,112	987,597	4,528,314	1,105,299	1,265,030	5,018,753	42,571,906
	₱543,916,216	₱2,196,034	₱13,917,733	₱4,384,451	₱23,772,977	₱5,397,484	₱10,660,220	₱12,465,631	₱616,710,746

	Parent Company								Total
	Corporate Loans	LGU	Credit Cards	Retail SMEs	Housing Loans	Auto Loans	Other Loans	Other Receivables	
Receivables from customers:									
Loans and discounts	₱568,979,597	₱1,728,247	₱-	₱5,337,167	₱25,959,737	₱6,225,467	₱6,542,654	₱-	₱614,772,869
Credit card receivables	-	-	18,063,885	-	-	-	-	-	18,063,885
Customers' liabilities on acceptances (Note 19)	6,012,626	-	-	-	-	-	-	-	6,012,626
Customers' liabilities on letters of credit and trust receipts	8,949,225	-	-	134,477	-	-	93,769	-	9,177,471
Bills purchased (Note 22)	1,129,366	-	-	19,290	-	-	2,116,354	-	3,265,010
	585,070,814	1,728,247	18,063,885	5,490,934	25,959,737	6,225,467	8,752,777	-	651,291,861
Other receivables:									
Accrued interest receivable	-	-	-	-	-	-	-	8,625,740	8,625,740
Accounts receivable	-	-	-	-	-	-	-	3,451,030	3,451,030
Sales contract receivables	-	-	-	-	-	-	-	1,565,601	1,565,601
Miscellaneous	-	-	-	-	-	-	-	441,651	441,651
	585,070,814	1,728,247	18,063,885	5,490,934	25,959,737	6,225,467	8,752,777	14,084,022	665,375,883
Less: Unearned and other deferred income	524,413	8,246	-	14,873	(362)	(95,094)	389,733	(13,330)	828,479
Allowance for credit losses (Note 16)	30,262,904	63,709	1,538,907	1,034,459	3,733,904	740,801	1,046,218	3,734,332	42,155,234
	₱554,283,497	₱1,656,292	₱16,524,978	₱4,441,602	₱22,226,195	₱5,579,760	₱7,316,826	₱10,363,020	₱622,392,170



	Parent Company								Total
	2023								
	Corporate Loans	LGU	Credit Cards	Retail SMEs	Housing Loans	Auto Loans	Other Loans	Other Receivables	
Receivables from customers:									
Loans and discounts	P541,592,975	P2,275,508	P-	P5,310,846	P27,523,918	P6,501,496	P10,750,646	P-	P593,955,389
Credit card receivables	-	-	15,232,845	-	-	-	-	-	15,232,845
Customers' liabilities on acceptances (Note 19)	9,533,137	-	-	-	-	-	-	-	9,533,137
Customers' liabilities on letters of credit and trust receipts	8,402,620	-	-	63,517	-	-	93,763	-	8,559,900
Bills purchased (Note 22)	162,777	-	-	2,503	-	-	1,395,185	-	1,560,465
	559,691,509	2,275,508	15,232,845	5,376,866	27,523,918	6,501,496	12,239,594	-	628,841,736
Other receivables:									
Accrued interest receivable	-	-	-	-	-	-	-	8,007,891	8,007,891
Accounts receivable	-	-	-	-	-	-	-	4,468,991	4,468,991
Sales contract receivables	-	-	-	-	-	-	-	3,722,879	3,722,879
Miscellaneous	-	-	-	-	-	-	-	347,797	347,797
	559,691,509	2,275,508	15,232,845	5,376,866	27,523,918	6,501,496	12,239,594	16,547,558	645,389,294
Less: Unearned and other deferred income	237,284	9,183	-	15,019	(361)	(1,287)	402,252	1,213	663,303
Allowance for credit losses (Note 16)	28,573,298	70,291	1,315,112	982,766	4,510,487	1,105,299	1,265,020	4,744,955	42,567,228
	P530,880,927	P2,196,034	P13,917,733	P4,379,081	P23,013,792	P5,397,484	P10,572,322	P11,801,390	P602,158,763

10.2 Lease Contract Receivables

An analysis of the Group's lease contract receivables as of December 31, 2023 follows:

	2023
Minimum lease payments	
Due within one year	P7
Due beyond one year but not over five years	2,734
	2,741
Residual value of leased equipment	
Due within one year	5,658
Due beyond one year but not over five years	-
	5,658
Gross investment in lease contract receivables (Note 29)	P8,399

As of December 31, 2024, the Group's lease contract receivables are already reduced to nil as these were part of PMLFC and PMERC portfolio which are now in the process of winding down and liquidation (refer to Note 12.3).

10.3 Interest Income on Loans and Receivables

As of December 31, 2024 and 2023, 72.6% and 69.6%, respectively, of the total receivables from customers of the Group were subject to interest repricing. As of December 31, 2024 and 2023, 72.7% and 70.6%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing. Remaining receivables carry annual fixed interest rates ranging from 1.1% to 9.0% in 2024, 2023 and 2022 for foreign currency-denominated receivables, and from 1.1% to 31.5% in 2024, 2023 and 2022 for peso-denominated receivables.

Sales contract receivables bear fixed interest rates per annum ranging from 5.0% to 12.0% in 2024, 5.0% to 20.2% in 2023 and from 4.2% to 20.2% in 2022.



11. Property and Equipment

11.1 Details of Property and Equipment

The composition of and movements in property and equipment follow:

	Consolidated							
	2024							
	Land	Building	Furniture, Fixtures and Equipment	Long-term Leasehold Land	Construction in-Progress	Leasehold Improvements	Right-of- Use Asset – Bank Premises (Note 33)	Total
Cost								
Balance at beginning of year	₱4,932,017	₱3,577,231	₱7,782,684	₱593,532	₱315,619	₱1,879,925	₱5,945,050	₱25,026,058
Additions	–	44,446	336,944	–	23,622	40,434	950,548	1,395,994
Disposals	(3,735)	(16,589)	(324,250)	–	–	(17)	–	(344,591)
Transfers/others	(14,779)	789	(150,776)	14,198	(20,999)	7,181	(790,224)	(954,610)
Balance at end of year	4,913,503	3,605,877	7,644,602	607,730	318,242	1,927,523	6,105,374	25,122,851
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	2,393,257	6,679,411	84,691	–	1,467,076	2,514,313	13,138,748
Depreciation and amortization	–	157,730	494,427	6,214	–	80,602	1,126,875	1,865,848
Disposals	–	(9,028)	(307,710)	–	–	(17)	–	(316,755)
Transfers/others	–	3,884	(121,800)	7,127	–	5,539	(780,058)	(885,308)
Balance at end of year	–	2,545,843	6,744,328	98,032	–	1,553,200	2,861,130	13,802,533
Allowance for Impairment Losses (Note 16)	539,725	585,054	–	–	–	–	–	1,124,779
Net Book Value at End of Year	₱4,373,778	₱474,980	₱900,274	₱509,698	₱318,242	₱374,323	₱3,244,244	₱10,195,539

	Consolidated							
	2023							
	Land	Building	Furniture, Fixtures and Equipment	Long-term Leasehold Land	Construction in-Progress	Leasehold Improvements	Right-of- Use Asset – Bank Premises (Note 33)	Total
Cost								
Balance at beginning of year	₱5,141,182	₱3,687,368	₱8,401,453	₱596,131	₱318,387	₱1,910,242	₱5,827,262	₱25,882,025
Additions	–	30,186	347,062	–	–	42,611	1,425,032	1,844,891
Disposals	(133,753)	(134,384)	(943,887)	–	–	(12,296)	–	(1,224,320)
Transfers/others	(75,412)	(5,939)	(21,944)	(2,599)	(2,768)	(60,632)	(1,307,244)	(1,476,538)
Balance at end of year	4,932,017	3,577,231	7,782,684	593,532	315,619	1,879,925	5,945,050	25,026,058
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	2,253,174	6,031,338	79,837	–	1,899,884	2,475,358	12,739,591
Depreciation and amortization	–	179,089	759,545	6,039	–	108,134	1,311,843	2,364,650
Disposals	–	(38,760)	(590,285)	–	–	(12,296)	–	(641,341)
Transfers/others	–	(246)	478,814	(1,185)	–	(528,646)	(1,272,888)	(1,324,152)
Balance at end of year	–	2,393,257	6,679,411	84,691	–	1,467,076	2,514,313	13,138,748
Allowance for Impairment Losses (Note 16)	539,725	593,567	–	–	–	–	–	1,133,292
Net Book Value at End of Year	₱4,392,292	₱590,407	₱1,103,273	₱508,841	₱315,619	₱412,849	₱3,430,737	₱10,754,018

Parent Company 2024							
	Land	Building	Furniture, Fixtures and Equipment	Construction in-Progress	Leasehold Improvements	Right-of- Use Asset – Bank Premises (Note 33)	Total
Cost							
Balance at beginning of year	P4,932,018	P3,500,371	P6,724,154	P315,619	P1,781,197	P6,252,240	P23,505,599
Additions	–	44,446	330,196	23,622	37,722	936,169	1,372,155
Disposals	(3,735)	(16,589)	(279,942)	–	–	–	(300,266)
Transfers/others	(14,780)	(1,254)	(10,027)	(20,999)	569	(785,053)	(831,544)
Balance at end of year	4,913,503	3,526,974	6,764,381	318,242	1,819,488	6,403,356	23,745,944
Accumulated Depreciation and Amortization							
Balance at beginning of year	–	2,377,063	5,827,361	–	1,377,400	2,928,264	12,510,088
Depreciation and amortization	–	156,526	475,784	–	77,348	1,079,792	1,789,450
Disposals	–	(9,028)	(279,165)	–	–	–	(288,193)
Transfers/others	–	2,738	(2,805)	–	1,421	(764,429)	(763,074)
Balance at end of year	–	2,527,299	6,021,175	–	1,456,169	3,243,627	13,248,270
Allowance for Impairment Losses (Note 16)	539,725	585,054	–	–	–	–	1,124,779
Net Book Value at End of Year	P4,373,778	P414,621	P743,206	P318,242	P363,319	P3,159,729	P9,372,895



Parent Company							
2023							
	Land	Building	Furniture, Fixtures and Equipment	Construction in-Progress	Leasehold Improvements	Right-of- Use Asset – Bank Premises (Note 33)	Total
Cost							
Balance at beginning of year	₱5,141,182	₱3,610,134	₱6,533,522	₱318,387	₱1,801,393	₱6,262,643	₱23,667,261
Additions	–	30,186	335,769	–	41,690	1,292,130	1,699,775
Disposals	(133,753)	(134,384)	(121,735)	–	–	–	(389,872)
Transfers/others	(75,411)	(5,565)	(23,402)	(2,768)	(61,886)	(1,302,533)	(1,471,565)
Balance at end of year	4,932,018	3,500,371	6,724,154	315,619	1,781,197	6,252,240	23,505,599
Accumulated Depreciation and Amortization							
Balance at beginning of year	–	2,237,967	4,898,086	–	1,800,558	2,942,730	11,879,341
Depreciation and amortization	–	177,908	619,994	–	105,509	1,263,995	2,167,406
Disposals	–	(38,760)	(121,262)	–	–	–	(160,022)
Transfers/others	–	(52)	430,543	–	(528,667)	(1,278,461)	(1,376,637)
Balance at end of year	–	2,377,063	5,827,361	–	1,377,400	2,928,264	12,510,088
Allowance for Impairment Losses (Note 16)	539,725	593,567	–	–	–	–	1,133,292
Net Book Value at End of Year	₱4,392,293	₱529,741	₱896,793	₱315,619	₱403,797	₱3,323,976	₱9,862,219

The total recoverable value of certain property and equipment of the Group and the Parent Company for which impairment loss has been recognized amounted to ₱1.5 billion as of December 31, 2024 and 2023, the carrying value of which amounted to ₱2.5 billion as of December 31, 2024 and 2023.

Certain property and equipment of the Parent Company with carrying amount of ₱79.9 million and ₱90.0 million are temporarily idle as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, property and equipment of the Parent Company with gross carrying amount of ₱16.4 billion and ₱14.3 billion are fully depreciated but are still being used.

Gain on disposal of property and equipment in 2024, 2023 and 2022 amounted to ₱138.8 million, ₱712.5 million, and ₱34.9 million, respectively, for the Group and ₱135.2 million, ₱793.1 million and ₱32.0 million, respectively, for the Parent Company (refer to Note 26.2).

11.2 Depreciation and Amortization

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Depreciation						
Property and equipment (Note 33)	₱1,865,848	₱2,364,650	₱2,436,663	₱1,789,450	₱2,167,406	₱2,174,918
Investment properties (Note 13)	215,569	191,153	152,917	195,518	167,339	128,095
Chattel mortgage properties	417,005	296,105	242,260	417,145	285,610	235,884
Amortization of intangible assets (Note 14)	1,160,592	1,124,161	1,393,906	1,146,235	1,099,879	1,370,523
	₱3,659,014	₱3,976,069	₱4,225,746	₱3,548,348	₱3,720,234	₱3,909,420



12. Investments in Subsidiaries and an Associate

The consolidated financial statements of the Group include:

	Industry	Principal Place of Business/Country of Incorporation	Functional Currency	Percentage of Ownership	
				Direct	Indirect
Subsidiaries					
Allied Integrated Holdings, Inc. (AIHI) ^(a)	Holding Company	Philippines	PHP	100.00	—
PNB Capital and Investment Corporation (PNB Capital)	Investment	- do -	PHP	100.00	—
PNB Securities, Inc. (PNB Securities)	Securities Brokerage	- do -	PHP	100.00	—
PNB Corporation – Guam ^(b)	Remittance	USA	USD	100.00	—
PNB International Investments Corporation (PNB IIC)	Investment	- do -	USD	100.00	—
PNB Remittance Centers, Inc. (PNB RCI) ^(c)	Remittance	- do -	USD	—	100.00
PNB RCI Holding Co. Ltd. (PNB RHCL) ^(d)	Holding Company	- do -	USD	—	100.00
PNB Remittance Co. (Canada) ^(e)	Remittance	Canada	CAD	—	100.00
PNB Europe PLC (PNB Europe)	Banking	United Kingdom	GBP	100.00	—
Allied Commercial Bank (ACB)	Banking	China	CNY	99.04	—
PNB-Mizuho Leasing and Finance Corporation (PMLFC) ^(f)	Leasing/Financing	Philippines	PHP	75.00	—
PNB-Mizuho Equipment Rentals Corporation (PMERC) ^(g)	Rental	- do -	PHP	—	75.00
PNB Global Remittance & Financial Co. (HK) Ltd. (PNB GRF)	Remittance	Hong Kong	HKD	100.00	—
Allied Banking Corporation (Hong Kong) Limited (ABCHKL)	Banking	- do -	HKD	51.00	—
ACR Nominees Limited ^(h)	Service	- do -	HKD	—	51.00
Oceanic Holding (BVI) Ltd. (OHBVI) ⁽ⁱ⁾	Holding Company	British Virgin Islands	USD	27.78	—
Associate					
Allianz-PNB Life Insurance, Inc. (APLII)	Insurance	Philippines	PHP	44.00	—

^(a) In the process of winding down and liquidation after shortening of corporate life until December 31, 2022

^(b) Ceased operations on June 30, 2012 and license status became dormant thereafter

^(c) Owned through PNB IIC

^(d) Owned through PNB RCI

^(e) Owned through PNB RHCL

^(f) In the process of winding down and liquidation after shortening of corporate life until March 31, 2024

^(g) Owned through PMLFC; In the process of winding down and liquidation after shortening of corporate life until December 31, 2024

^(h) Owned through ABCHKL

⁽ⁱ⁾ Controlled through the Parent Company's combined voting rights of 70.56% which arises from its direct ownership of 27.78%, and voting rights of 42.78% assigned by certain stockholders of OHBVI to the Parent Company through a voting trust agreement

The details of this account follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Investment in Subsidiaries				
ACB	₱—	₱—	₱6,087,520	₱6,087,520
AIHI	—	—	3,435,041	3,435,041
PNB IIC	—	—	2,028,202	2,028,202
PNB Europe PLC	—	—	1,327,393	1,327,393
ABCHKL	—	—	947,586	947,586
PNB Capital	—	—	850,000	850,000
PNB GRF	—	—	753,061	753,061
PMLFC	—	—	481,943	481,943
OHBVI	—	—	291,841	291,841
PNB Securities	—	—	62,351	62,351
PNB Corporation – Guam	—	—	7,672	7,672
	—	—	16,272,610	16,272,610
Investment in an Associate – APLII	3,242,589	3,365,089	3,242,589	3,365,089
Accumulated equity in net earnings (losses) of subsidiaries and an associate:				
Balance at beginning of year	426,972	158,879	(170,449)	(281,942)
Equity in net earnings (losses) for the year	419,505	268,093	831,256	560,393
Cash dividends declared by a subsidiary	—	—	—	(448,900)
	846,477	426,972	660,807	(170,449)
Accumulated share in:				
Aggregate reserves on life insurance policies	21,209	24,246	21,209	24,246
Net unrealized losses on financial assets at FVOCI (Note 9)	(666,910)	(617,015)	(622,589)	(586,895)
Accumulated translation adjustments	—	—	1,968,140	1,565,092
Remeasurement gains (losses) on retirement plan	3,248	(168)	87,439	97,377
	(642,453)	(592,937)	1,454,199	1,099,820
	₱3,446,613	₱3,199,124	₱21,630,204	₱20,567,070



The Parent Company underwent a quasi-reorganization which was approved by the SEC on November 7, 2002. As of December 31, 2024 and 2023, the acquisition cost of the investments in the Parent Company's separate financial statements includes the balance of ₱2.1 billion consisting of the translation adjustment and accumulated equity in net earnings of investee companies, net of dividends subsequently received from the quasi-reorganization date, that were offset against capital deficit on restructuring date and are not available for dividend declaration.

12.1 Investment in AIHI

On February 10, 2022, the SEC approved the decrease of AIHI's authorized capital stock from ₱15.0 billion divided into 149,975,000 common shares with par value of ₱100 each and the 25,000 preferred shares with par value of ₱100 each to ₱3.0 billion divided into 30,000,000 common shares with par value of ₱100 each. Consequently, on February 18, 2022, out of the ₱10.5 billion subscribed and paid-up capital of the Parent Company in AIHI, the latter returned ₱7.5 billion to the Parent Company.

AIHI's corporate term ended on December 31, 2022 but, as provided by law, it will continue to exist as a body corporate for another three years to generally wind up its affairs, including the disposal of its properties and distribution of its assets.

12.2 Investment in PNB Capital

On October 27, 2023 and December 16, 2022, the BOD of PNB Capital approved the declaration of cash dividends amounting to ₱448.9 million and ₱792.0 million, respectively, which were subsequently paid to the Parent Company on December 27, 2023 and December 22, 2022, respectively.

12.3 Investment in PMLFC

On June 24, 2022, the BOD of the Parent Company approved the amendment to the Articles of Incorporation of PMLFC, shortening its corporate term to March 31, 2024. On December 23, 2022 the SEC approved the above amendment. The Parent Company and its joint venture partner, Mizuho Leasing Co. Ltd., mutually agreed to wind up the operations of PMLFC due to the impact of the COVID-19 pandemic to the operations of the joint venture company and the domestic leasing industry. On the other hand, on November 22, 2023, the SEC approved the amendment to the Articles of Incorporation of PMERC, the wholly-owned subsidiary of PMLFC, to shorten its corporate term to December 31, 2024. To date, the winding-up process for both PMLFC and PMERC is ongoing.

In 2023 and 2022, PMLFC transferred to the Parent Company certain receivables via direct purchase or assignment. The Parent Company also accepted in 2023 certain properties of PMLFC and PMERC as partial settlement of their outstanding loans with the Parent Company. The remaining loans were eventually written off as of December 31, 2023 (refer to Note 33.1).

As of December 31, 2024 and 2023, the carrying value of the Parent Company's equity investment in PMLFC is already reduced to nil. However, by virtue of the Parent Company's commitment to provide further funding in PMLFC, the Parent Company recognized additional losses amounting to ₱18.6 million and ₱144.2 million in 2024 and 2023, respectively, representing its share in the accumulated net losses of PMLFC.



12.4 Investment in PNB Holdings

As of December 31, 2020, PNB owns all of the 2,551,000 shares issued by PNB Holdings, with par value of ₱100 per share. On January 13, 2021, the SEC approved the increase in the authorized capital stock of PNB Holdings from ₱500.0 million divided into 5,000,000 shares with par value of ₱100 per share, to ₱50.5 billion divided into 505,000,000 shares with the same par value. On the same date, the Parent Company proceeded with the subscription of additional 466,770,000 shares of PNB Holdings shares in exchange for certain real estate properties with fair values of ₱46.7 billion.

On April 23, 2021, the Parent Company's BOD approved the property dividend declaration of up to 239,353,710 common shares of PNB Holdings, representing 51.00% ownership, with a par value of ₱100 per share, to all stockholders of record as of May 18, 2021, or ₱23.9 billion.

On December 24, 2021, the SEC approved the property dividend declaration. On the same date, the Parent Company assessed that it has lost control over PNB Holdings, and accordingly classified its retained interest of 49.00% in PNB Holdings as financial asset at FVOCI with no recycling to profit or loss, in accordance with PFRS 9. Such investment was remeasured from its carrying amount of ₱6.6 billion to its fair value as of December 24, 2021 of ₱23.0 billion, resulting in a gain on remeasurement of ₱16.5 billion and ₱16.4 billion in the 2021 consolidated and parent company financial statements, respectively (refer to Note 33).

Further, the Group and the Parent Company recognized gain on loss of control over PNB Holdings of ₱17.0 billion and ₱17.1 billion in the 2021 consolidated and parent company financial statements, respectively. On December 21, 2021, the Parent Company was able to secure ruling from the Bureau of Internal Revenue (BIR) that the transfer of properties to PNB Holdings is not subject to tax, except for documentary stamps tax (DST). Further, on March 10, 2022, the Parent Company was able to secure another ruling from the BIR that the property dividends distribution is exempt from tax, except for DST.

The Parent Company was able to demonstrate loss of control over PNB Holdings because of the following:

- Declaration of 51.00% ownership in PNB Holdings as property dividends;
- Execution of proxy in favor of LTG for the remaining 49.00% held by the Group;
- Appointment of key management personnel by the BOD of PNB Holdings, resulting in the Group having no officers and staff participating in the day-to-day operations of PNB Holdings; and
- Approval of the SEC of the property dividend declaration and distribution to all stockholders as of May 18, 2021.

The foregoing corporate actions were taken by PNB and LTG to allow PNB to focus on its core banking business. These demonstrate that the Group no longer exercises control over PNB Holdings as certain elements of control under PFRS 10, *Consolidated Financial Statements*, are no longer demonstrated.

Further, the Group no longer has a significant influence over PNB Holdings by virtue of the execution of a proxy in favor of LTG to vote all shares registered in the name of PNB on any and all matters in the Annual Stockholders' Meeting of PNB Holdings and the fact that LTG controls both PNB and PNB Holdings.



12.5 Investment in PNB General Insurers Co., Inc. (PNB Gen)

On December 29, 2020, the Parent Company and PNB Holdings entered into a Sale and Purchase Agreement (SPA) for the sale of all their respective shareholdings in PNB Gen to Alliedbankers Insurance Corporation (ABIC), an affiliate, for a total purchase price of ₱1.5 billion, which was paid as follows:

- PNB Holdings Purchase Price (₱521.8 million) – fully paid on December 28, 2020; and
- PNB Purchase Price (₱1.0 billion) – paid in four tranches until April 30, 2021, earning interest at 6.00% per annum.

The SPA also provides for a grant of an exclusive bancassurance arrangement with ABIC with a minimum guaranteed term of 15 years for an additional consideration of ₱50.0 million to the Parent Company, on top of the total purchase price.

On December 29, 2020, the Insurance Commission approved the above transaction. As of December 31, 2020, only the sale of PNB Holdings of its shares in PNB Gen met all the closing conditions for the sale. Accordingly, PNB Holdings closed and completed the sale of its 34.25% shareholdings in PNB Gen, with the excess of the purchase price over the carrying value of the proportionate interest of ₱344.7 million treated as an equity transaction in the consolidated financial statements of the Group as ‘Other equity reserves’.

In 2021, the Parent Company completed the sale of its shares in PNB Gen, recognizing loss on sale amounting to ₱149.5 million and ₱134.9 million for the Group and the Parent Company, respectively, which was recorded under ‘Gain on loss of control of subsidiaries - net’. Also in 2021, the Parent Company received interest income of ₱14.1 million from ABIC for this transaction.

12.6 Material Non-Controlling Interests

Proportion of equity interest held by material NCI follows:

	Principal Activities	Equity interest of NCI		Accumulated balances of material NCI		Profit allocated to material NCI	
		2024	2023	2024	2023	2024	2023
ABCHKL	Banking	49.00%	49.00%	₱2,430,334	₱2,230,261	₱98,054	₱71,784
OHBVI	Holding Company	72.22%	72.22%	1,165,390	1,095,965	19,968	24,332

The following table presents financial information of ABCHKL (unaudited) as of December 31, 2024 and 2023:

	2024	2023
Statement of Financial Position		
Current assets	₱11,075,821	₱10,285,643
Non-current assets	1,718,803	2,043,382
Current liabilities	7,232,400	7,177,792
Non-current liabilities	670,967	668,288
Statement of Comprehensive Income		
Revenues	₱546,924	₱477,646
Expenses	346,815	331,148
Net income	200,109	146,498
Total comprehensive income	414,956	110,472

(Forward)



	2024	2023
Statement of Cash Flows		
Net cash provided used in operating activities	(P87,328)	(P804,162)
Net cash provided by investing activities	35,753	35,392

The following table presents financial information of OHBVI (unaudited) as of December 31, 2024 and 2023:

	2024	2023
Statement of Financial Position		
Current assets	P1,613,622	P1,517,493
Statement of Comprehensive Income		
Revenues/Net income/Total comprehensive income	P27,649	P33,692
Statement of Cash Flows		
Net cash provided by operating activities	P96,129	P23,442

12.7 Investment in APLII

On June 6, 2016, the Parent Company entered into agreements with Allianz SE (Allianz), a German company engaged in insurance and asset management, for the sale of the 51.00% interest in PNB Life Insurance, Inc. (PNB Life) for a total consideration of USD66.0 million to form a new joint venture company named “Allianz-PNB Life Insurance, Inc.”; and a 15-year exclusive distribution access to the branch network of the Parent Company (Exclusive Distribution Rights or EDR).

The purchase consideration of USD66.0 million was allocated between the sale of the 51.00% interest in PNB Life and the EDR amounting to USD44.9 million (P2.1 billion) and USD21.1 million (P1.0 billion), respectively. The consideration allocated to the EDR was recognized as ‘Deferred revenue - Bancassurance’ (Note 22) and is amortized to income over 15 years from date of sale. The Parent Company also receives variable annual and fixed bonus earn-out payments based on milestones achieved over the 15-year term of the distribution agreement.

After receiving approvals from the BSP on December 6, 2022 and June 14, 2021, the Parent Company recorded additional investments in APLII amounting to P392.0 million and P245.0 million, respectively. On June 27, 2024, the Parent Company recorded return of investment amounting to P122.5 million.

Summarized financial information of APLII (unaudited) as of December 31, 2024 and 2023 follows:

	2024	2023
Current assets	P3,045,524	P2,181,489
Noncurrent assets	135,662,332	113,166,291
Total assets	138,707,856	115,347,780
Current liabilities	2,136,824	1,404,749
Noncurrent liabilities	132,365,045	110,327,928
Total liabilities	134,501,869	111,732,677
Net assets	4,205,987	3,615,103
Percentage of ownership of the Group	44%	44%
Share in the net assets of the associate	P1,850,634	P1,590,645



The difference between the share in the net assets of APLII and the carrying value of the investments represents premium on acquisition/retained interest.

Summarized statement of comprehensive income of APLII (unaudited) in 2024 and 2023 follows:

	2024	2023
Revenues	₱7,900,955	₱6,867,294
Costs and expenses	6,919,372	6,257,991
Net income (loss)	981,583	609,303
Other comprehensive loss	(470,126)	(357,591)
Total comprehensive income (loss)	₱511,457	₱251,712
Group's share in comprehensive income (loss)	₱225,041	₱110,753

12.8 Significant Restrictions

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory supervisory frameworks within which insurance and banking subsidiaries operate.

13. Investment Properties

This account consists of real properties as follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Foreclosed or acquired in settlement of loans	₱15,784,863	₱14,399,995	₱15,365,513	₱13,932,044
Held for lease	179,404	179,563	179,404	179,563
Total	₱15,964,267	₱14,579,558	₱15,544,917	₱14,111,607

The composition of and movements in this account follow:

	Consolidated		
	2024		
	Land	Buildings and Improvements	Total
Cost			
Beginning balance	₱14,262,534	₱4,465,437	₱18,727,971
Additions	998,131	1,270,489	2,268,620
Disposals	(288,870)	(107,707)	(396,577)
Transfers/others	3,989	(41,807)	(37,818)
Balance at end of year	14,975,784	5,586,412	20,562,196
Accumulated Depreciation			
Balance at beginning of year	—	1,829,513	1,829,513
Depreciation (Note 11)	—	215,569	215,569
Disposals	—	(65,592)	(65,592)
Transfers/others	—	(1,658)	(1,658)
Balance at end of year	—	1,977,832	1,977,832
Allowance for Impairment Losses (Note 16)	2,318,836	301,261	2,620,097
Net Book Value at End of Year	₱12,656,948	₱3,307,319	₱15,964,267



Consolidated 2023			
	Land	Buildings and Improvements	Total
Cost			
Beginning balance	₱14,471,137	₱3,337,560	₱17,808,697
Additions	1,475,118	1,498,014	2,973,132
Disposals	(1,689,521)	(336,100)	(2,025,621)
Transfers/others	5,800	(34,037)	(28,237)
Balance at end of year	14,262,534	4,465,437	18,727,971
Accumulated Depreciation			
Balance at beginning of year	–	1,838,042	1,838,042
Depreciation (Note 11)	–	191,153	191,153
Disposals	–	(199,165)	(199,165)
Transfers/others	–	(517)	(517)
Balance at end of year	–	1,829,513	1,829,513
Allowance for Impairment Losses (Note 16)	1,902,739	416,161	2,318,900
Net Book Value at End of Year	₱12,359,795	₱2,219,763	₱14,579,558

Parent Company 2024			
	Land	Buildings and Improvements	Total
Cost			
Beginning balance	₱13,709,658	₱4,352,211	₱18,061,869
Additions	998,131	1,270,489	2,268,620
Disposals	(288,870)	(96,711)	(385,581)
Transfers/others	(11,243)	(3,922)	(15,165)
Balance at end of year	14,407,676	5,522,067	19,929,743
Accumulated Depreciation			
Balance at beginning of year	–	1,656,063	1,656,063
Depreciation (Note 11)	–	195,518	195,518
Disposals	–	(60,305)	(60,305)
Transfers/others	–	(1,845)	(1,845)
Balance at end of year	–	1,789,431	1,789,431
Allowance for Impairment Losses (Note 16)	2,318,124	277,271	2,595,395
Net Book Value at End of Year	₱12,089,552	₱3,455,365	₱15,544,917

Parent Company 2023			
	Land	Buildings and Improvements	Total
Cost			
Beginning balance	₱13,915,473	₱3,188,687	₱17,104,160
Additions	1,475,118	1,498,014	2,973,132
Disposals	(1,689,521)	(336,100)	(2,025,621)
Transfers/others	8,588	1,610	10,198
Balance at end of year	13,709,658	4,352,211	18,061,869
Accumulated Depreciation			
Balance at beginning of year	–	1,688,372	1,688,372
Depreciation (Note 11)	–	167,339	167,339
Disposals	–	(199,165)	(199,165)
Transfers/others	–	(483)	(483)
Balance at end of year	–	1,656,063	1,656,063
Allowance for Impairment Losses (Note 16)	1,902,027	392,172	2,294,199
Net Book Value at End of Year	₱11,807,631	₱2,303,976	₱14,111,607

Foreclosed properties of the Parent Company still subject to redemption period by the borrowers amounted to ₱2.2 billion and ₱581.7 million, as of December 31, 2024 and 2023, respectively.



The total recoverable value of investment properties of the Group and the Parent Company that were impaired amounted to ₱13.4 billion and ₱9.6 billion as of December 31, 2024 and 2023, respectively. Valuations were derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made.

For the Group and the Parent Company, direct operating expenses on investment properties that generated rental income during the year (other than depreciation and amortization), included under 'Litigation and assets acquired expenses', amounted to ₱16.8 million, ₱33.0 million and ₱29.2 million in 2024, 2023, and 2022, respectively. Direct operating expenses on investment properties that did not generate rental income included under 'Litigation and assets acquired expenses', amounted to ₱231.7 million, ₱397.6 million and ₱208.3 million in 2024, 2023, and 2022, respectively (refer to Note 27.2).

14. Goodwill and Intangible Assets

These accounts consist of:

	Consolidated				Parent Company			
	2024		2023		2024		2023	
	Software Cost	Goodwill	Software Cost	Goodwill	Software Cost	Goodwill	Software Cost	Goodwill
Cost								
Balance at beginning of year	₱6,039,747	₱10,184,843	₱5,480,963	₱11,221,410	₱6,983,715	₱10,325,201	₱6,423,046	₱11,361,768
Additions	946,940	—	598,969	—	943,546	—	597,165	—
Impairment in value	—	—	—	(1,036,567)	—	—	—	(1,036,567)
Others	(26,534)	—	(40,185)	—	(31,743)	—	(36,496)	—
	6,960,153	10,184,843	6,039,747	10,184,843	7,895,518	10,325,201	6,983,715	10,325,201
Accumulated amortization								
Balance at beginning of year	4,738,021	—	3,637,073	—	5,768,825	—	4,689,462	—
Amortization (Note 11)	1,160,592	—	1,104,129	—	1,146,235	—	1,079,847	—
Others	(23,415)	—	(3,181)	—	(27,002)	—	(484)	—
	5,875,198	—	4,738,021	—	6,888,058	—	5,768,825	—
Net Book Value at End of Year	₱1,084,955	₱10,184,843	₱1,301,726	₱10,184,843	₱1,007,460	₱10,325,201	₱1,214,890	₱10,325,201

14.1 Software Cost

Software cost as of December 31, 2024 and 2023 includes capitalized development costs amounting to ₱2.0 billion, related to the Parent Company's core banking system.

14.2 Goodwill

The Parent Company accounted for the business combination with ABC under the acquisition method of PFRS 3. The Group has elected to measure the NCI in the acquiree at proportionate share of identifiable assets and liabilities. The business combination resulted in the recognition of goodwill amounting to ₱13.4 billion, allocated to the three CGUs which are also reportable segments.

Goodwill is reviewed for impairment annually in the fourth quarter of the reporting period, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The impairment test is done by comparing the recoverable amount of each CGU with its carrying amount. The carrying amount of a CGU is derived based on its net assets plus the amount of goodwill allocated to the CGU. The recoverable amount is the higher of a CGU's fair value less costs to sell and its VIU.



In 2023 and 2021, the goodwill impairment test performed by the Parent Company resulted in an impairment in value of ₱1.0 billion in the Treasury CGU and ₱2.2 billion in the Corporate Banking CGU, respectively, with the recoverable amounts being lower than their carrying amounts.

As of December 31, 2024 and 2023, goodwill for each CGU amounted to:

	Gross carrying amount	Accumulated impairment in value	Net carrying amount
Retail Banking	₱6,110,312	₱—	₱6,110,312
Corporate Banking	4,190,365	2,153,997	2,036,368
Treasury	3,074,730	1,036,567	2,038,163
	₱13,375,407	₱3,190,564	₱10,184,843

As of December 31, 2024 and 2023, management believes that the carrying value of the goodwill will not materially exceed its recoverable value after consideration of all reasonably possible changes in the key assumptions discussed below.

The recoverable amounts of the CGUs have been determined on the basis of the VIU calculation using the discounted cash flows (DCF) model. The DCF model uses earnings projections based on financial budgets approved by senior management and the BOD of the Parent Company covering a three-year period and are discounted to their present value. Estimating future earning involves judgment which takes into account past and actual performance and expected developments in the respective markets and in the overall macro-economic environment.

The following rates were applied to the cash flow projections:

	2024			2023		
	Retail Banking	Corporate Banking	Treasury	Retail Banking	Corporate Banking	Treasury
Pre-tax discount rate	11.43%	11.43%	11.43%	11.92%	11.92%	10.06%
Projected growth rate	5.73%	5.73%	5.73%	5.30%	5.30%	5.30%

The calculation of VIU is most sensitive to estimates of future cash flows from the business, interest margin, discount rates, projected long-term growth rates (derived based on the forecast local gross domestic product) used to extrapolate cash flows beyond the budget period.

The discount rate applied has been determined based on cost of equity for the Retail, Corporate Banking and Treasury CGUs. The cost of equity is derived using the capital asset pricing model which is comprised of a market risk premium, risk-free interest rate and the beta factor, all of which were obtained from external sources of information.

15. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Financial				
Fund for electronic money products	₱400,000	₱350,000	₱400,000	₱350,000
Returned checks and other cash items	25,003	28,298	25,003	28,298
Security deposits (Note 33)	19,662	18,279	—	—
Miscellaneous	2,808	5,680	2,147	5,049
	447,473	402,257	427,150	383,347

(Forward)



	Consolidated		Parent Company	
	2024	2023	2024	2023
Nonfinancial				
Deferred charges (Note 33)	₱3,969,199	₱2,065,324	₱3,965,120	₱2,060,909
Creditable withholding taxes	1,467,670	1,309,256	1,253,129	1,098,777
Real estate inventories held under development (Note 33)	521,114	519,448	521,114	519,448
Prepaid expenses	474,397	362,254	391,743	305,023
Documentary stamps on hand	406,790	471,092	406,703	470,537
Retirement asset (Note 28)	302,797	17,283	302,797	—
Stationeries and supplies	81,937	99,536	81,767	99,283
Chattel mortgage properties - net of depreciation	75,432	304,817	75,432	304,817
Other investments	26,842	26,335	22,970	22,609
Miscellaneous	1,427,061	912,319	1,135,727	523,505
	8,753,239	6,087,664	8,156,502	5,404,908
	9,200,712	6,489,921	8,583,652	5,788,255
Less allowance for credit and impairment losses (Note 16)	1,050,083	1,035,620	1,050,033	1,035,570
	₱8,150,629	₱5,454,301	₱7,533,619	₱4,752,685

‘Fund for electronic money products’ represents the fund set up held in trust by the Parent Company’s Trust Banking Group (TBG) for the specific purpose of liquidation of balances of e-money products of the Group in compliance with BSP Circular 1166. Such amount held in the trust account shall not fall below the required minimum balance of at least 50.0% of the outstanding e-money balances. The remaining 50.0% are covered by government securities booked under ‘Investment securities at amortized cost’ amounting to ₱364.0 million and ₱364.3 million as of December 31, 2024 and 2023, respectively (refer to Note 9.3).

‘Deferred charges’ include the share of the Group in the cost of transportation equipment acquired under the Group’s car plan, rental payment made on bank premises, and expense prepayments expected to benefit the Bank for a future period exceeding one (1) year which are amortized monthly over five years.

‘Real estate inventories held under development’ represent parcels of land contributed by the Parent Company under joint arrangements with real estate developers to be developed as residential condominium units and subdivision lots.

‘Chattel mortgage properties’ pertain to motor vehicles, equipment and assets other than real estate properties, which were acquired by the Group in settlement of loans. As of December 31, 2024 and 2023, accumulated depreciation on the chattel mortgage properties amounted to ₱511.5 million and ₱337.6 million, respectively, for the Group and ₱511.5 million and ₱337.6 million, respectively, for the Parent Company. As of December 31, 2024 and 2023, the total recoverable value of certain chattel mortgage properties of the Group and the Parent Company that were impaired is at ₱396.5 million and ₱264.3 million, respectively.

‘Miscellaneous financial assets’ include revolving fund, petty cash fund and miscellaneous cash and other cash items. ‘Miscellaneous nonfinancial assets’ include postages, refundable deposits, notes taken for interest and sundry debits.



16. Impairment, Credit and Other Losses

16.1 Provision for Impairment, Credit and Other Losses

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Provision for credit losses	₱3,772,753	₱5,613,112	₱7,159,781	₱3,725,453	₱5,390,322	₱7,171,812
Provision for impairment and other losses	95,358	309,942	38,336	56,803	309,942	133,841
	₱3,868,111	₱5,923,054	₱7,198,117	₱3,782,256	₱5,700,264	₱7,305,653

16.2 Allowance for Impairment and Credit Losses

Changes in the allowance for credit losses on financial assets follow:

	Consolidated 2024					
	Securities Held Under Agreements to Resell	Due from Other Banks	Interbank Loans Receivable	Financial Assets at FVOCI	Investment Securities at Amortized Cost	Total
Balance at beginning of year	₱14,152	₱9,898	₱8,045	₱45,673	₱155,835	₱233,603
Provisions (reversals)	32,088	(5,154)	(1,907)	23,250	(8,365)	39,912
Balance at end of year	₱46,240	₱4,744	₱6,138	₱68,923	₱147,470	₱273,515

	Consolidated 2023					
	Securities Held Under Agreements to Resell	Due from Other Banks	Interbank Loans Receivable	Financial Assets at FVOCI	Investment Securities at Amortized Cost	Total
Balance at beginning of year	₱2,188	₱9,898	₱1,369	₱121,585	₱3,847,850	₱3,982,890
Provisions (reversals)	11,964	—	6,676	(75,912)	(15,770)	(73,042)
Accounts charged-off	—	—	—	—	(3,676,245)	(3,676,245)
Balance at end of year	₱14,152	₱9,898	₱8,045	₱45,673	₱155,835	₱233,603

	Parent Company 2024					
	Securities Held Under Agreements to Resell	Due from Other Banks	Interbank Loans Receivable	Financial Assets at FVOCI	Investment Securities at Amortized Cost	Total
Balance at beginning of year	₱14,152	₱9,873	₱8,045	₱46,776	₱155,835	₱234,681
Provisions (reversals)	32,088	(5,099)	-2,454	21,401	(8,365)	37,571
Balance at end of year	₱46,240	₱4,774	₱5,591	₱68,177	₱147,470	₱272,252

	Parent Company 2023					
	Securities Held Under Agreements to Resell	Due from Other Banks	Interbank Loans Receivable	Financial Assets at FVOCI	Investment Securities at Amortized Cost	Total
Balance at beginning of year	₱2,188	₱9,873	₱1,369	₱119,452	₱3,847,850	₱3,980,732
Provisions (reversals)	11,964	—	6,676	(72,676)	(15,770)	(69,806)
Accounts charged-off	—	—	—	—	(3,676,245)	(3,676,245)
Balance at end of year	₱14,152	₱9,873	₱8,045	₱46,776	₱155,835	₱234,681

Movements in the allowance for impairment and other losses on non-financial assets follow:



	Consolidated							
	2024				2023			
	Property and Equipment	Investment Properties	Other Assets	Total	Property and Equipment	Investment Properties	Other Assets	Total
Balance at beginning of year	₱1,133,292	₱2,318,900	₱1,035,620	₱4,487,812	₱1,168,887	₱2,175,669	₱1,041,840	₱4,386,396
Provisions (reversals)		199,452	(104,093)	95,359	(38)	166,099	143,881	309,942
Disposals	(8,513)	(17,078)	(26,745)	(52,336)	(35,557)	(27,151)	(248)	(62,956)
Transfers and others	–	118,823	145,301	264,124	–	4,283	(149,853)	(145,570)
Balance at end of year	₱1,124,779	₱2,620,097	₱1,050,083	₱4,794,959	₱1,133,292	₱2,318,900	₱1,035,620	₱4,487,812

	Parent Company							
	2024				2023			
	Property and Equipment	Investment Properties	Other Assets	Total	Property and Equipment	Investment Properties	Other Assets	Total
Balance at beginning of year	₱1,133,292	₱2,294,199	₱1,035,570	₱4,463,061	₱1,168,887	₱2,150,968	₱1,025,047	₱4,344,902
Provisions (reversals)	–	162,755	(105,952)	56,803	(38)	166,099	143,881	309,942
Disposals	(8,513)	(17,078)	(26,745)	(52,336)	(35,557)	(27,151)	(248)	(62,956)
Transfers and others	–	155,520	147,160	302,680	–	4,283	(133,110)	(128,827)
Balance at end of year	₱1,124,779	₱2,595,396	₱1,050,033	₱4,770,208	₱1,133,292	₱2,294,199	₱1,035,570	₱4,463,061

The reconciliation of allowance for loans and receivables are shown below:

	Consolidated							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate Loans								
Beginning Balance	₱1,774,187	₱2,895,028	₱23,612,295	₱28,281,510	1,455,038	5,954,356	17,270,216	24,679,610
Newly originated assets which remained in Stage 1 at yearend	807,286	–	–	807,286	825,411	–	–	825,411
Newly originated assets which moved to Stages 2 and 3 at yearend	–	704,905	397,431	1,102,336	–	1,498,636	6,158,611	7,657,247
Transfers to Stage 1	25,920	(25,799)	(121)	–	22,816	(22,816)	–	–
Transfers to Stage 2	(70,148)	839,542	(769,394)	–	(572,482)	647,566	(75,084)	–
Transfers to Stage 3	(280,840)	(346,220)	627,060	–	(331,606)	(3,394,552)	3,726,158	–
Accounts charged off	–	–	(686,290)	(686,290)	–	–	(27,654)	(27,654)
Effect of collections, foreclosures, and provision	(10,376)	(907,908)	1,380,542	462,258	375,010	(1,788,162)	(3,439,952)	(4,853,104)
Ending Balance	2,246,029	3,159,548	24,561,523	29,967,100	1,774,187	2,895,028	23,612,295	28,281,510
LGU								
Beginning Balance	391	6,684	63,216	70,291	472	8,471	65,694	74,637
Effect of collections, foreclosures, and provision	(104)	(1,306)	(5,172)	(6,582)	(81)	(1,787)	(2,478)	(4,346)
Ending Balance	287	5,378	58,044	63,709	391	6,684	63,216	70,291
Credit Cards								
Beginning Balance	508,446	109,883	696,783	1,315,112	491,509	83,742	712,977	1,288,228
Newly originated assets which remained in Stage 1 at yearend	78,851	–	–	78,851	57,305	–	–	57,305
Newly originated assets which moved to Stages 2 and 3 at yearend	–	11,526	17,272	28,798	–	6,813	9,999	16,812
Transfers to Stage 1	49,370	(37,696)	(11,674)	–	22,578	(16,917)	(5,661)	–
Transfers to Stage 2	(16,596)	18,469	(1,873)	–	(17,425)	17,465	(40)	–
Transfers to Stage 3	(33,449)	(19,173)	52,622	–	(25,370)	(12,031)	37,401	–
Accounts charged off	–	–	(799,638)	(799,638)	–	–	(892,571)	(892,571)
Effect of collections, foreclosures, and provision	3,026	25,255	887,503	915,784	(20,151)	30,811	834,678	845,338
Ending Balance	589,648	108,264	840,995	1,538,907	508,446	109,883	696,783	1,315,112
Retail SMEs								
Beginning Balance	188,665	10,116	788,816	987,597	200,621	26,631	1,337,812	1,565,064
Newly originated assets which remained in Stage 1 at yearend	114,737	–	–	114,737	180,263	–	–	180,263
Newly originated assets which moved to Stages 2 and 3 at yearend	–	13,621	12,785	26,406	–	5,923	63,619	69,542
Transfers to Stage 1	946	(946)	–	–	110	–	(110)	–
Transfers to Stage 2	(115)	430	(315)	–	(1,051)	2,229	(1,178)	–
Transfers to Stage 3	(26,339)	(6,257)	32,596	–	–	(80,052)	80,052	–
Accounts charged off	–	–	(115,370)	(115,370)	–	–	(400,532)	(400,532)
Effect of collections, foreclosures, and provision	1,071	3,095	16,923	21,089	(191,278)	55,385	(290,847)	(426,740)
Ending Balance	278,965	20,059	735,435	1,034,459	188,665	10,116	788,816	987,597

(Forward)



	Consolidated							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Housing Loans								
Beginning Balance	₱525,896	₱47,197	₱3,955,221	₱4,528,314	₱447,670	₱115,108	₱3,785,067	₱4,347,845
Newly originated assets which remained in Stage 1 at yearend	50,745	—	—	50,745	49,994	—	—	49,994
Newly originated assets which moved to Stages 2 and 3 at yearend	—	2,016	13,444	15,460	—	2,099	14,561	16,660
Transfers to Stage 1	50,769	(3,234)	(47,535)	—	43,356	(6,424)	(36,932)	—
Transfers to Stage 2	(39,521)	53,677	(14,156)	—	(30,074)	43,180	(13,106)	—
Transfers to Stage 3	(60,880)	(25,729)	86,609	—	(260,638)	(124,595)	385,233	—
Effect of collections, foreclosures, and provision	(430,615)	(15,134)	(392,607)	(838,356)	275,588	17,829	(179,602)	113,815
Ending Balance	96,394	58,793	3,600,976	3,756,163	525,896	47,197	3,955,221	4,528,314
Auto Loans								
Beginning Balance	25,693	686	1,078,920	1,105,299	20,844	2,253	1,497,222	1,520,319
Newly originated assets which remained in Stage 1 at yearend	5,154	—	—	5,154	6,218	—	—	6,218
Newly originated assets which moved to Stages 2 and 3 at yearend	—	695	2,708	3,403	—	125	450	575
Transfers to Stage 1	188	(20)	(168)	—	600	(131)	(469)	—
Transfers to Stage 2	(459)	479	(20)	—	(476)	525	(49)	—
Transfers to Stage 3	(8,167)	(2,091)	10,258	—	(21,039)	(10,155)	31,194	—
Accounts charged off	—	—	(32,938)	(32,938)	—	—	(47,526)	(47,526)
Effect of collections, foreclosures, and provision	138	1,429	(341,684)	(340,117)	19,546	8,069	(401,902)	(374,287)
Ending Balance	22,547	1,178	717,076	740,801	25,693	686	1,078,920	1,105,299
Other Loans								
Beginning Balance	71,794	264,708	928,528	1,265,030	15,780	78,197	1,168,060	1,262,037
Newly originated assets which remained in Stage 1 at yearend	4,194	—	—	4,194	42,043	—	—	42,043
Newly originated assets which moved to Stages 2 and 3 at yearend	—	—	23	23	—	45,824	24,687	70,511
Transfers to Stage 1	3,029	(85)	(2,944)	—	1,364	(244)	(1,120)	—
Transfers to Stage 2	(1,894)	5,594	(3,700)	—	(148,740)	216,224	(67,484)	—
Transfers to Stage 3	(2,523)	(44,240)	46,763	—	(42,076)	(6,097)	48,173	—
Accounts charged off	—	—	(19,654)	(19,654)	—	—	—	—
Effect of collections, foreclosures, and provision	(42,742)	(121,731)	(38,790)	(203,263)	203,423	(69,196)	(243,788)	(109,561)
Ending Balance	31,858	104,246	910,226	1,046,330	71,794	264,708	928,528	1,265,030
Other Receivables								
Beginning Balance	131,275	37,316	4,850,162	5,018,753	87,993	148,230	3,970,848	4,207,071
Newly originated assets which remained in Stage 1 at yearend	4,970	—	—	4,970	3,310	—	—	3,310
Newly originated assets which moved to Stages 2 and 3 at yearend	—	2,971	5,511	8,482	—	7,901	117,793	125,694
Transfers to Stage 1	320	(268)	(52)	—	162	(138)	(24)	—
Transfers to Stage 2	(346)	2,209	(1,863)	—	(4,115)	4,177	(62)	—
Transfers to Stage 3	3,426	(3,615)	189	—	(3,463)	(421,743)	425,206	—
Accounts charged off	—	—	(1,271,421)	(1,271,421)	—	—	(48,607)	(48,607)
Effect of collections, foreclosures, and provision	40,969	550	258,617	300,136	47,388	298,889	385,008	731,285
Ending Balance	180,614	39,163	3,841,143	4,060,920	131,275	37,316	4,850,162	5,018,753
Total Loans and Receivables								
Beginning Balance	3,226,347	3,371,618	35,973,941	42,571,906	2,719,927	6,416,988	29,807,896	38,944,811
Newly originated assets which remained in Stage 1 at yearend	1,065,937	—	—	1,065,937	1,164,544	—	—	1,164,544
Newly originated assets which moved to Stages 2 and 3 at yearend	—	735,734	449,174	1,184,908	—	1,567,321	6,389,720	7,957,041
Transfers to Stage 1	130,542	(68,048)	(62,494)	—	90,986	(46,670)	(44,316)	—
Transfers to Stage 2	(129,079)	920,400	(791,321)	—	(774,363)	931,366	(157,003)	—
Transfers to Stage 3	(408,772)	(447,325)	856,097	—	(684,192)	(4,049,225)	4,733,417	—
Accounts charged off	—	—	(2,925,311)	(2,925,311)	—	—	(1,416,890)	(1,416,890)
Effect of collections, foreclosures, and provision	(438,633)	(1,015,750)	1,765,332	310,949	709,445	(1,448,162)	(3,338,883)	(4,077,600)
Ending Balance	₱3,446,342	₱3,496,629	₱35,265,418	₱42,208,389	₱3,226,347	₱3,371,618	₱35,973,941	₱42,571,906



	Parent Company							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate Loans								
Beginning Balance	₱1,648,613	₱2,895,028	₱24,029,657	₱28,573,298	1,671,731	5,954,139	18,336,117	25,961,987
Newly originated assets which remained in Stage 1 at yearend	807,286	—	—	807,286	825,411	—	—	825,411
Newly originated assets which moved to Stages 2 and 3 at yearend	—	704,905	397,431	1,102,336	—	1,498,636	6,158,611	7,657,247
Transfers to Stage 1	25,920	(25,799)	(121)	—	22,816	(22,816)	—	—
Transfers to Stage 2	(70,148)	839,542	(769,394)	—	(572,482)	647,566	(75,084)	—
Transfers to Stage 3	(280,840)	(346,220)	627,060	—	(331,606)	(3,394,552)	3,726,158	—
Accounts charged off	—	—	(686,290)	(686,290)	—	—	(27,654)	(27,654)
Loan settlement through dacion and assignment (Note 33)	—	—	—	—	—	—	(1,404,582)	(1,404,582)
Effect of collections, foreclosures, and provision	(403,414)	(907,908)	1,777,596	466,274	32,743	(1,787,945)	(2,683,909)	(4,439,111)
Ending Balance	1,727,417	3,159,548	25,375,939	30,262,904	1,648,613	2,895,028	24,029,657	28,573,298
LGU								
Beginning Balance	391	6,684	63,216	70,291	472	8,471	65,694	74,637
Effect of collections, foreclosures, and provision	(104)	(1,306)	(5,172)	(6,582)	(81)	(1,787)	(2,478)	(4,346)
Ending Balance	287	5,378	58,044	63,709	391	6,684	63,216	70,291
Credit Cards								
Beginning Balance	508,446	109,883	696,783	1,315,112	491,509	83,742	712,977	1,288,228
Newly originated assets which remained in Stage 1 at yearend	78,851	—	—	78,851	57,305	—	—	57,305
Newly originated assets which moved to Stages 2 and 3 at yearend	—	11,526	17,272	28,798	—	6,813	9,999	16,812
Transfers to Stage 1	49,370	(37,696)	(11,674)	—	22,578	(16,917)	(5,661)	—
Transfers to Stage 2	(16,596)	18,469	(1,873)	—	(17,425)	17,465	(40)	—
Transfers to Stage 3	(33,449)	(19,173)	52,622	—	(25,370)	(12,031)	37,401	—
Accounts charged off	—	—	(799,638)	(799,638)	—	—	(892,571)	(892,571)
Effect of collections, foreclosures, and provision	3,026	25,255	887,503	915,784	(20,151)	30,811	834,678	845,338
Ending Balance	589,648	108,264	840,995	1,538,907	508,446	109,883	696,783	1,315,112
Retail SMEs								
Beginning Balance	188,665	10,105	783,996	982,766	182,003	23,329	798,798	1,004,130
Newly originated assets which remained in Stage 1 at yearend	114,737	—	—	114,737	180,263	—	—	180,263
Newly originated assets which moved to Stages 2 and 3 at yearend	—	13,621	12,785	26,406	—	5,923	63,619	69,542
Transfers to Stage 1	946	(946)	—	—	110	—	(110)	—
Transfers to Stage 2	(115)	430	(315)	—	(1,051)	2,229	(1,178)	—
Transfers to Stage 3	(26,339)	(6,257)	32,596	—	—	(80,052)	80,052	—
Accounts charged off	—	—	(115,370)	(115,370)	—	—	(401,774)	(401,774)
Effect of collections, foreclosures, and provision	1,071	3,106	21,743	25,920	(172,660)	58,676	244,589	130,605
Ending Balance	278,965	20,059	735,435	1,034,459	188,665	10,105	783,996	982,766
Housing Loans								
Beginning Balance	524,616	47,197	3,938,674	4,510,487	445,982	114,780	3,776,024	4,336,786
Newly originated assets which remained in Stage 1 at yearend	50,745	—	—	50,745	49,994	—	—	49,994
Newly originated assets which moved to Stages 2 and 3 at yearend	—	2,016	13,444	15,460	—	2,099	14,561	16,660
Transfers to Stage 1	50,769	(3,234)	(47,535)	—	43,356	(6,424)	(36,932)	—
Transfers to Stage 2	(39,521)	53,677	(14,156)	—	(30,074)	43,180	(13,106)	—
Transfers to Stage 3	(60,880)	(25,729)	86,609	—	(260,638)	(124,595)	385,233	—
Effect of collections, foreclosures, and provision	(28,829)	(15,180)	(798,779)	(842,788)	275,996	18,157	(187,106)	107,047
Ending Balance	496,900	58,747	3,178,257	3,733,904	524,616	47,197	3,938,674	4,510,487
Auto Loans								
Beginning Balance	25,693	686	1,078,920	1,105,299	20,844	2,253	1,497,222	1,520,319
Newly originated assets which remained in Stage 1 at yearend	5,154	—	—	5,154	6,218	—	—	6,218
Newly originated assets which moved to Stages 2 and 3 at yearend	—	695	2,708	3,403	—	125	450	575
Transfers to Stage 1	188	(20)	(168)	—	600	(131)	(469)	—
Transfers to Stage 2	(459)	479	(20)	—	(476)	525	(49)	—
Transfers to Stage 3	(8,167)	(2,091)	10,258	—	(21,039)	(10,155)	31,194	—
Accounts charged off	—	—	(32,938)	(32,938)	—	—	(47,526)	(47,526)
Effect of collections, foreclosures, and provision	138	1,429	(341,684)	(340,117)	19,546	8,069	(401,902)	(374,287)
Ending Balance	22,547	1,178	717,076	740,801	25,693	686	1,078,920	1,105,299

(Forward)



	Parent Company							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Other Loans								
Beginning Balance	₱71,784	₱264,708	₱928,528	₱1,265,020	₱15,739	₱64,561	₱1,181,666	₱1,261,966
Newly originated assets which remained in Stage 1 at yearend	4,194	—	—	4,194	42,043	—	—	42,043
Newly originated assets which moved to Stages 2 and 3 at yearend	—	—	23	23	—	45,824	24,687	70,511
Transfers to Stage 1	3,029	(85)	(2,944)	—	1,364	(244)	(1,120)	—
Transfers to Stage 2	(1,894)	5,594	(3,700)	—	(148,740)	216,224	(67,484)	—
Transfers to Stage 3	(2,523)	(44,240)	46,763	—	(42,076)	(6,097)	48,173	—
Accounts charged off	—	—	(19,654)	(19,654)	—	—	—	—
Effect of collections, foreclosures, and provision	(42,758)	(121,731)	(38,876)	(203,365)	203,454	(55,560)	(257,394)	(109,500)
Ending Balance	31,832	104,246	910,140	1,046,218	71,784	264,708	928,528	1,265,020
Other Receivables								
Beginning Balance	22,665	32,893	4,689,397	4,744,955	34,342	37,308	3,926,135	3,997,785
Newly originated assets which remained in Stage 1 at yearend	4,970	—	—	4,970	3,310	—	—	3,310
Newly originated assets which moved to Stages 2 and 3 at yearend	—	2,971	5,511	8,482	—	7,901	117,793	125,694
Transfers to Stage 1	320	(268)	(52)	—	162	(138)	(24)	—
Transfers to Stage 2	(346)	2,209	(1,863)	—	(4,115)	4,177	(62)	—
Transfers to Stage 3	3,426	(3,615)	189	—	(3,463)	(421,743)	425,206	—
Accounts charged off	—	—	(1,269,650)	(1,269,650)	—	—	(49,305)	(49,305)
Effect of collections, foreclosures, and provision	35,247	550	209,778	245,575	(7,571)	405,388	269,654	667,471
Ending Balance	66,282	34,740	3,633,310	3,734,332	22,665	32,893	4,689,397	4,744,955
Total Loans and Receivables								
Beginning Balance	2,990,873	3,367,184	36,209,171	42,567,228	2,862,622	6,288,583	30,294,633	39,445,838
Newly originated assets which remained in Stage 1 at yearend	1,065,937	—	—	1,065,937	1,164,544	—	—	1,164,544
Newly originated assets which moved to Stages 2 and 3 as at year-end	—	735,734	449,174	1,184,908	—	1,567,321	6,389,720	7,957,041
Transfers to Stage 1	130,542	(68,048)	(62,494)	—	90,986	(46,670)	(44,316)	—
Transfers to Stage 2	(129,079)	920,975	(791,896)	—	(774,363)	931,366	(157,003)	—
Transfers to Stage 3	(408,772)	(447,325)	856,097	—	(684,192)	(4,049,225)	4,733,417	—
Accounts charged off	—	—	(2,923,540)	(2,923,540)	—	—	(1,418,830)	(1,418,830)
Loan settlement through dacion and assignment (Note 33)	—	—	—	—	—	—	(1,404,582)	(1,404,582)
Effect of collections, foreclosures, and provision	(435,623)	(1,016,360)	1,712,684	260,701	331,276	(1,324,191)	(2,183,868)	(3,176,783)
Ending Balance	₱3,213,878	₱3,492,160	₱35,449,196	₱42,155,234	₱2,990,873	₱3,367,184	₱36,209,171	₱42,567,228

16.3 Gross Carrying Amounts of Loans and Receivables

Movements of the gross carrying amounts of loans and receivables are shown below:

	Consolidated							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate Loans								
Beginning Balance	₱511,739,263	₱27,482,301	₱32,976,162	₱572,197,726	₱439,476,954	₱73,633,834	₱27,884,820	₱540,995,608
Newly originated assets which remained in Stage 1 at yearend	313,540,235	—	—	313,540,235	256,828,762	—	—	256,828,762
Newly originated assets which moved to Stages 2 and 3 at yearend	—	14,542,849	6,213,419	20,756,268	—	12,486,650	7,244,151	19,730,801
Transfers to Stage 1	1,626,834	(1,538,339)	(88,495)	—	20,808,870	(20,808,870)	—	—
Transfers to Stage 2	(1,709,484)	3,688,218	(1,978,734)	—	(2,438,133)	2,776,640	(338,507)	—
Transfers to Stage 3	(496,633)	(1,087,075)	1,583,708	—	(851,326)	(5,941,406)	6,792,732	—
Accounts charged off	—	—	(686,290)	(686,290)	—	—	(27,654)	(27,654)
Collections and other movements	(287,030,529)	(18,416,515)	(3,024,592)	(308,471,636)	(202,085,864)	(34,664,547)	(8,579,380)	(245,329,791)
Ending Balance	537,669,686	24,671,439	34,995,178	597,336,303	511,739,263	27,482,301	32,976,162	572,197,726
LGU								
Beginning Balance	2,183,286	28,139	54,900	2,266,325	2,753,214	35,320	56,658	2,845,192
Collections and other movements	(536,416)	(5,529)	(4,379)	(546,324)	(569,928)	(7,181)	(1,758)	(578,867)
Ending Balance	1,646,870	22,610	50,521	1,720,001	2,183,286	28,139	54,900	2,266,325

(Forward)



	Consolidated							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Credit Cards								
Beginning Balance	₱14,208,553	₱440,362	₱583,930	₱15,232,845	₱13,157,391	₱315,914	₱909,376	₱14,382,681
Newly originated assets which remained in Stage 1 at yearend	1,980,502	—	—	1,980,502	1,165,134	—	—	1,165,134
Newly originated assets which moved to Stages 2 and 3 at yearend	—	52,126	31,425	83,551	—	29,616	18,927	48,543
Transfers to Stage 1	149,502	(125,603)	(23,899)	—	69,818	(62,026)	(7,792)	—
Transfers to Stage 2	(319,966)	323,698	(3,732)	—	(325,428)	325,528	(100)	—
Transfers to Stage 3	(547,031)	(87,958)	634,989	—	(424,262)	(52,755)	477,017	—
Accounts charged off	—	—	(799,638)	(799,638)	—	—	(892,571)	(892,571)
Collections and other movements	1,685,900	(112,752)	(6,523)	1,566,625	565,900	(115,915)	79,073	529,058
Ending Balance	17,157,460	489,873	416,552	18,063,885	14,208,553	440,362	583,930	15,232,845
Retail SMEs								
Beginning Balance	4,153,369	151,456	1,067,223	5,372,048	3,995,703	342,969	1,961,582	6,300,254
Newly originated assets which remained in Stage 1 at yearend	3,539,950	—	—	3,539,950	3,924,066	—	—	3,924,066
Newly originated assets which moved to Stages 2 and 3 at yearend	—	114,725	50,153	164,878	—	112,457	72,686	185,143
Transfers to Stage 1	7,659	(7,659)	—	—	4,227	—	(4,227)	—
Transfers to Stage 2	(810)	2,953	(2,143)	—	(21,867)	31,237	(9,370)	—
Transfers to Stage 3	(71,839)	(7,659)	79,498	—	—	(119,106)	119,106	—
Accounts charged off	—	—	(115,370)	(115,370)	—	—	(401,774)	(401,774)
Collections and other movements	(3,267,400)	(129,967)	(88,078)	(3,485,445)	(3,748,760)	(216,101)	(670,780)	(4,635,641)
Ending Balance	4,360,929	123,849	991,283	5,476,061	4,153,369	151,456	1,067,223	5,372,048
Housing Loans								
Beginning Balance	20,130,870	248,682	7,921,739	28,301,291	18,886,113	673,099	9,029,811	28,589,023
Newly originated assets which remained in Stage 1 as at yearend	3,162,128	—	—	3,162,128	3,153,824	—	—	3,153,824
Newly originated assets which moved to Stages 2 and 3 at yearend	—	17,757	44,110	61,867	—	14,017	48,035	62,052
Transfers to Stage 1	1,577,780	(105,411)	(1,472,369)	—	1,234,984	(167,456)	(1,067,528)	—
Transfers to Stage 2	(209,603)	281,574	(71,971)	—	(160,577)	225,036	(64,459)	—
Transfers to Stage 3	(204,135)	(105,411)	309,546	—	(819,808)	(407,824)	1,227,632	—
Collections and other movements	(3,287,196)	(19,811)	(1,473,794)	(4,780,801)	(2,163,666)	(88,190)	(1,251,752)	(3,503,608)
Ending Balance	21,169,844	317,380	5,257,261	26,744,485	20,130,870	248,682	7,921,739	28,301,291
Auto Loans								
Beginning Balance	5,216,360	22,973	1,263,450	6,502,783	5,017,858	102,192	1,970,284	7,090,334
Newly originated assets which remained in Stage 1 at yearend	2,515,108	—	—	2,515,108	2,513,456	—	—	2,513,456
Newly originated assets which moved to Stages 2 and 3 at yearend	—	18,900	24,820	43,720	—	4,842	4,158	9,000
Transfers to Stage 1	32,064	(3,394)	(28,670)	—	78,374	(17,998)	(60,376)	—
Transfers to Stage 2	(15,561)	16,513	(952)	—	(15,461)	16,928	(1,467)	—
Transfers to Stage 3	(40,217)	(3,394)	43,611	—	(83,541)	(33,541)	117,082	—
Accounts charged off	—	—	(32,938)	(32,938)	—	—	(47,526)	(47,526)
Collections and other movements	(2,230,304)	(15,944)	(461,864)	(2,708,112)	(2,294,326)	(49,450)	(718,705)	(3,062,481)
Ending Balance	5,477,450	35,654	807,457	6,320,561	5,216,360	22,973	1,263,450	6,502,783
Other Loans								
Beginning Balance	8,187,643	2,087,478	1,650,129	11,925,250	9,131,926	1,546,924	1,976,100	12,654,950
Newly originated assets which remained in Stage 1 at yearend	5,119,859	—	—	5,119,859	6,201,837	—	—	6,201,837
Newly originated assets which moved to Stages 2 and 3 at yearend	—	—	31	31	—	1,244,295	39,581	1,283,876
Transfers to Stage 1	47,303	(3,435)	(43,868)	—	38,851	(7,370)	(31,481)	—
Transfers to Stage 2	(7,521)	22,220	(14,699)	—	(619,725)	836,675	(216,950)	—
Transfers to Stage 3	(11,694)	(3,435)	15,129	—	(141,647)	(20,036)	161,683	—
Accounts charged off	—	—	(19,654)	(19,654)	—	—	—	—
Collections and other movements	(6,441,872)	(1,755,234)	(266,303)	(8,463,409)	(6,423,599)	(1,513,010)	(278,804)	(8,215,413)
Ending Balance	6,893,718	347,594	1,320,765	8,562,077	8,187,643	2,087,478	1,650,129	11,925,250
Other Receivables								
Beginning Balance	11,130,475	270,041	6,083,868	17,484,384	15,069,109	289,229	3,828,316	19,186,654
Newly originated assets which remained in Stage 1 at yearend	1,312,023	—	—	1,312,023	1,334,540	—	—	1,334,540
Newly originated assets which moved to Stages 2 and 3 at yearend	—	64,105	40,349	104,454	—	49,057	126,499	175,556
Transfers to Stage 1	23,996	(13,905)	(10,091)	—	123,622	(118,182)	(5,440)	—
Transfers to Stage 2	(6,040)	17,059	(11,019)	—	(23,562)	24,591	(1,029)	—
Transfers to Stage 3	(6,464)	(8,587)	15,051	—	(9,949)	(925,493)	935,442	—
Accounts charged off	—	—	(1,271,421)	(1,271,421)	—	—	(49,305)	(49,305)
Collections and other movements	(3,667,397)	(154,373)	996,971	(2,824,799)	(5,363,285)	950,839	1,249,385	(3,163,061)
Ending Balance	8,786,593	174,340	5,843,708	14,804,641	11,130,475	270,041	6,083,868	17,484,384

(Forward)



	Consolidated							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Total Loans and Receivables								
Beginning Balance	₱576,949,819	₱307,731,432	₱51,601,401	₱659,282,652	₱507,488,268	₱76,939,481	₱47,616,947	₱632,044,696
Newly originated assets which remained in Stage 1 at yearend	331,169,805	—	—	331,169,805	275,121,619	—	—	275,121,619
Newly originated assets which moved to Stages 2 and 3 at yearend	—	14,810,462	6,404,307	21,214,769	—	13,940,934	7,554,037	21,494,971
Transfers to Stage 1	3,465,138	(1,797,746)	(1,667,392)	—	22,358,746	(21,181,902)	(1,176,844)	—
Transfers to Stage 2	(2,268,985)	4,352,235	(2,083,250)	—	(3,604,753)	4,236,635	(631,882)	—
Transfers to Stage 3	(1,378,013)	(1,303,519)	2,681,532	—	(2,330,533)	(7,500,161)	9,830,694	—
Accounts charged off	—	—	(2,925,311)	(2,925,311)	—	—	(1,418,830)	(1,418,830)
Collections and other movements	(304,775,214)	(20,610,125)	(4,328,562)	(329,713,901)	(222,083,528)	(35,703,555)	(10,172,721)	(267,959,804)
Ending Balance	₱603,162,550	₱26,182,739	₱49,682,725	₱679,028,014	₱576,949,819	₱30,731,432	₱51,601,401	₱659,282,652
	Parent Company							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Corporate Loans								
Beginning Balance	₱499,062,930	₱27,447,702	₱32,943,593	₱559,454,225	₱427,520,330	₱73,589,787	₱28,922,622	₱530,032,739
Newly originated assets which remained in Stage 1 at yearend	311,255,404	—	—	311,255,404	249,130,331	—	—	249,130,331
Newly originated assets which moved to Stages 2 and 3 at yearend	—	14,542,849	5,601,615	20,144,464	—	12,486,650	7,244,151	19,730,801
Transfers to Stage 1	1,626,834	(1,538,339)	(88,495)	—	20,808,870	(20,808,870)	—	—
Transfers to Stage 2	(1,709,484)	3,688,218	(1,978,734)	—	(2,438,133)	2,776,640	(338,507)	—
Transfers to Stage 3	(496,633)	(1,087,075)	1,583,708	—	(851,326)	(5,941,406)	6,792,732	—
Accounts charged off	—	—	(686,290)	(686,290)	—	—	(27,654)	(27,654)
Loan settlement through dacion and assignment (Note 33)	—	—	—	—	—	—	(1,404,582)	(1,404,582)
Collections and other movements	(284,347,175)	(18,416,515)	(2,857,712)	(305,621,402)	(195,107,142)	(34,655,099)	(8,245,169)	(238,007,410)
Ending Balance	525,391,876	24,636,840	34,517,685	584,546,401	499,062,930	27,447,702	32,943,593	559,454,225
LGU								
Beginning Balance	2,183,286	28,139	54,900	2,266,325	2,753,214	35,320	56,658	2,845,192
Collections and other movements	(536,416)	(5,529)	(4,379)	(546,324)	(569,928)	(7,181)	(1,758)	(578,867)
Ending Balance	1,646,870	22,610	50,521	1,720,001	2,183,286	28,139	54,900	2,266,325
Credit Cards								
Beginning Balance	14,208,553	440,362	583,930	15,232,845	13,157,391	315,914	909,376	14,382,681
Newly originated assets which remained in Stage 1 at yearend	1,980,502	—	—	1,980,502	1,165,134	—	—	1,165,134
Newly originated assets which moved to Stages 2 and 3 at yearend	—	52,126	31,425	83,551	—	29,616	18,927	48,543
Transfers to Stage 1	149,502	(125,603)	(23,899)	—	69,818	(62,026)	(7,792)	—
Transfers to Stage 2	(319,966)	323,698	(3,732)	—	(325,428)	325,528	(100)	—
Transfers to Stage 3	(547,031)	(87,958)	634,989	—	(424,262)	(52,755)	477,017	—
Accounts charged off	—	—	(799,638)	(799,638)	—	—	(892,571)	(892,571)
Collections and other movements	1,685,900	(112,752)	(6,523)	1,566,625	565,900	(115,915)	79,073	529,058
Ending Balance	17,157,460	489,873	416,552	18,063,885	14,208,553	440,362	583,930	15,232,845
Retail SMEs								
Beginning Balance	4,153,253	151,473	1,057,121	5,361,847	3,544,176	317,549	1,078,655	4,940,380
Newly originated assets which remained in Stage 1 at yearend	3,539,950	—	—	3,539,950	3,924,066	—	—	3,924,066
Newly originated assets which moved to Stages 2 and 3 at yearend	—	114,725	50,153	164,878	—	112,457	72,686	185,143
Transfers to Stage 1	7,659	(7,659)	—	—	4,227	—	(4,227)	—
Transfers to Stage 2	(810)	2,953	(2,143)	—	(21,867)	31,237	(9,370)	—
Transfers to Stage 3	(71,839)	(7,659)	79,498	—	—	(119,106)	119,106	—
Accounts charged off	—	—	(115,370)	(115,370)	—	—	(401,774)	(401,774)
Collections and other movements	(3,267,284)	(129,984)	(77,976)	(3,475,244)	(3,297,349)	(190,664)	202,045	(3,285,968)
Ending Balance	4,360,929	123,849	991,283	5,476,061	4,153,253	151,473	1,057,121	5,361,847
Housing Loans								
Beginning Balance	19,354,191	248,682	7,921,406	27,524,279	18,020,708	640,238	9,002,446	27,663,392
Newly originated assets which remained in Stage 1 at yearend	3,162,128	—	—	3,162,128	3,046,281	—	—	3,046,281
Newly originated assets which moved to Stages 2 and 3 at yearend	—	17,757	44,110	61,867	—	14,017	48,035	62,052
Transfers to Stage 1	1,577,780	(105,411)	(1,472,369)	—	1,234,984	(167,456)	(1,067,528)	—
Transfers to Stage 2	(204,457)	276,428	(71,971)	—	(160,577)	225,036	(64,459)	—
Transfers to Stage 3	(193,797)	(105,411)	299,208	—	(819,808)	(378,350)	1,198,158	—
Collections and other movements	(3,292,172)	(19,811)	(1,476,192)	(4,788,175)	(1,967,397)	(84,803)	(1,195,246)	(3,247,446)
Ending Balance	20,403,673	312,234	5,244,192	25,960,099	19,354,191	248,682	7,921,406	27,524,279

(Forward)



	Parent Company							
	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Auto Loans								
Beginning Balance	₱5,216,360	₱22,973	₱1,263,450	₱6,502,783	₱5,017,858	₱102,192	₱1,970,284	₱7,090,334
Newly originated assets which remained in Stage 1 at yearend	2,515,108	—	—	2,515,108	2,513,456	—	—	2,513,456
Newly originated assets which moved to Stages 2 and 3 at yearend	—	18,900	24,820	43,720	—	4,842	4,158	9,000
Transfers to Stage 1	32,064	(3,394)	(28,670)	—	78,374	(17,998)	(60,376)	—
Transfers to Stage 2	(15,561)	16,513	(952)	—	(15,461)	16,928	(1,467)	—
Transfers to Stage 3	(40,217)	(3,394)	43,611	—	(83,541)	(33,541)	117,082	—
Accounts charged off	—	—	(32,938)	(32,938)	—	—	(47,526)	(47,526)
Collections and other movements	(2,230,304)	(15,944)	(461,864)	(2,708,112)	(2,294,326)	(49,450)	(718,705)	(3,062,481)
Ending Balance	5,477,450	35,654	807,457	6,320,561	5,216,360	22,973	1,263,450	6,502,783
Other Loans								
Beginning Balance	8,099,735	2,087,478	1,650,129	11,837,342	9,039,529	1,546,924	1,976,100	12,562,553
Newly originated assets which remained in Stage 1 at yearend	5,119,859	—	—	5,119,859	6,201,837	—	—	6,201,837
Newly originated assets which moved to Stages 2 and 3 at yearend	—	—	31	31	—	1,244,295	39,581	1,283,876
Transfers to Stage 1	47,303	(3,435)	(43,868)	—	38,851	(7,370)	(31,481)	—
Transfers to Stage 2	(3,492)	18,191	(14,699)	—	(616,273)	833,223	(216,950)	—
Transfers to Stage 3	(11,694)	(3,435)	15,129	—	(141,647)	(20,036)	161,683	—
Accounts charged off	—	—	(19,654)	(19,654)	—	—	(49,305)	(49,305)
Collections and other movements	(6,439,617)	(1,755,234)	(379,683)	(8,574,534)	(6,422,562)	(1,509,558)	(278,804)	(8,210,924)
Ending Balance	6,812,094	343,565	1,207,385	8,363,044	8,099,735	2,087,478	1,650,129	11,837,342
Other Receivables								
Beginning Balance	10,449,820	266,357	5,830,168	16,546,345	13,979,637	279,963	3,663,985	17,923,585
Newly originated assets which remained in Stage 1 at yearend	1,312,023	—	—	1,312,023	1,334,540	—	—	1,334,540
Newly originated assets which moved to Stages 2 and 3 as at year-end	—	64,105	40,350	104,455	—	49,057	126,499	175,556
Transfers to Stage 1	23,996	(13,905)	(10,091)	—	123,622	(118,182)	(5,440)	—
Transfers to Stage 2	(6,040)	17,059	(11,019)	—	(23,562)	24,591	(1,029)	—
Transfers to Stage 3	(6,463)	(8,587)	15,050	—	(9,949)	(925,493)	935,442	—
Accounts charged off	—	—	(1,269,650)	(1,269,650)	—	—	(49,305)	(49,305)
Collections and other movements	(3,404,203)	(154,373)	962,755	(2,595,821)	(4,954,468)	956,421	1,160,016	(2,838,031)
Ending Balance	8,369,133	170,656	5,557,563	14,097,352	10,449,820	266,357	5,830,168	16,546,345
Total Loans and Receivables								
Beginning Balance	562,728,128	30,693,166	51,304,697	644,725,991	493,032,843	76,827,887	47,580,126	617,440,856
Newly originated assets which remained in Stage 1 at yearend	328,884,974	—	—	328,884,974	267,315,645	—	—	267,315,645
Newly originated assets which moved to Stages 2 and 3 as at year-end	—	14,810,462	5,792,473	20,602,935	—	13,940,934	7,554,037	21,494,971
Transfers to Stage 1	3,465,138	(1,797,746)	(1,667,392)	—	22,358,746	(21,181,902)	(1,176,844)	—
Transfers to Stage 2	(2,259,810)	4,343,060	(2,083,250)	—	(3,601,301)	4,233,183	(631,882)	—
Transfers to Stage 3	(1,367,674)	(1,303,519)	2,671,193	—	(2,330,533)	(7,470,687)	9,801,220	—
Accounts charged off	—	—	(2,923,540)	(2,923,540)	—	—	(1,418,830)	(1,418,830)
Loan settlement through dacion and assignment (Note 33)	—	—	—	—	—	—	(1,404,582)	(1,404,582)
Collections and other movements	(301,831,271)	(20,610,142)	(4,301,574)	(326,742,987)	(214,047,272)	(35,656,249)	(8,998,548)	(258,702,069)
Ending Balance	₱589,619,485	₱26,135,281	₱48,792,607	₱664,547,373	₱562,728,128	₱30,693,166	₱51,304,697	₱644,725,991

17. Deposit Liabilities

17.1 Regulatory Reserve Requirements

As of December 31, 2024 and 2023, peso deposit liabilities are subject to reserves equivalent to 9.5%, while peso-denominated LTNCDs are subject to reserves equivalent to 4.0%.

Available reserves booked under ‘Due from BSP’ amounted to ₱44.6 billion and ₱78.4 billion as of December 31, 2024 and 2023, respectively (refer to Note 7).



17.2 LTNCDs

LTNCDs issued by the Parent Company consist of:

Issue Date	Maturity Date	Face Value	Coupon Rate	Interest Repayment Terms	Carrying Value	
					2024	2023
October 11, 2019	April 11, 2025	₱4,600,000	4.38%	Quarterly	₱4,598,770	₱4,591,288
February 27, 2019	August 27, 2024	8,220,000	5.75%	Quarterly	–	8,212,255
					₱4,598,770	₱12,803,543

17.3 Interest Expense on Deposit Liabilities

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Savings	₱9,560,100	₱6,989,245	₱1,589,891	₱9,553,020	₱6,984,663	₱1,605,241
Time	6,130,302	5,036,686	2,437,557	6,111,730	5,010,322	2,434,206
LTNCDs	526,326	776,034	1,140,954	526,326	776,034	1,140,954
Demand	212,807	203,681	203,265	209,875	200,798	202,752
	₱16,429,535	₱13,005,646	₱5,371,667	₱16,400,951	₱12,971,817	₱5,383,153

As of December 31, 2024 and 2023, noninterest-bearing deposit liabilities amounted to ₱26.8 billion and ₱27.1 billion, respectively, for the Group, and ₱27.0 billion and ₱27.7 billion, respectively, for the Parent Company.

The remaining deposit liabilities of the Group and the Parent Company generally earn annual fixed interest rates ranging from:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Peso-denominated	0.10% - 6.1%	0.10% - 7.50%	0.10% - 6.12%	0.10% - 6.1%	0.10% - 7.50%	0.10% - 6.12%
Foreign currency-denominated	0.03% - 5.5%	0.10% - 6.10%	0.00% - 5.50%	0.03% - 5.5%	0.10% - 6.10%	0.00% - 5.50%

In 2024, 2023 and 2022, interest expense on LTNCDs for both the Group and the Parent Company includes amortization of transaction costs amounting to ₱15.2 million, ₱23.5 million and ₱29.6 million, respectively. Unamortized transaction costs of the LTNCDs amounted to ₱1.3 million and ₱16.5 million as of December 31, 2024 and 2023, respectively.

18. Financial Liabilities at Fair Value Through Profit or Loss

As of December 31, 2024 and 2023, this account consists of currency forwards and spots with negative fair values amounting to ₱0.9 billion and ₱0.6 billion, respectively, for the Group and Parent Company (refer to Notes 23 and 35).



19. Bills and Acceptances Payable

19.1 Information on Bills and Acceptances Payable

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Bills payable to:				
Foreign banks	₱11,828,038	₱10,607,231	₱11,828,038	₱10,607,231
BSP and local banks	2,324,404	395	2,324,404	395
	14,152,442	10,607,626	14,152,442	10,607,626
Acceptances outstanding (Note 10)	6,056,009	9,554,977	6,056,009	9,554,977
	₱20,208,451	₱20,162,603	₱20,208,451	₱20,162,603

The following are the carrying values and fair values of government debt securities pledged and transferred under Bills payable transactions of the Group and the Parent Company:

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVOCI (Note 9.2)	₱11,859,179	₱11,859,179	₱6,464,743	₱6,464,743
Investment securities at amortized cost (Note 9.3)	2,392,401	2,397,775	5,472,805	5,478,115
	₱14,251,580	₱14,256,954	₱11,937,548	₱11,942,858

19.2 Interest Expense on Bills Payable and Other Borrowings

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Lease liabilities (Note 29)	₱175,831	₱171,570	₱171,885	₱172,824	₱168,285	₱170,692
Bills payable	191,541	129,031	229,600	192,131	118,534	163,385
Others	83,566	35,246	32,488	82,152	32,769	29,467
	₱450,938	₱335,847	₱433,973	₱447,107	₱319,588	₱363,544

Bills payable of the Group and the Parent Company earn annual fixed interest rates ranging from:

	2024	2023	2022
Peso-denominated	5.8% - 6.6%	6.0% - 6.8%	1.9% - 5.5%
Foreign currency-denominated	0.0% - 5.6%	0.0% - 5.4%	0.3% - 4.3%

20. Accrued Taxes, Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Accrued taxes and other expenses	₱6,652,716	₱8,037,426	₱6,456,764	₱7,660,923
Accrued interest (Note 33)	2,145,837	2,427,947	2,125,330	2,388,727
	₱8,798,553	₱10,465,373	₱8,582,094	₱10,049,650



Accrued taxes and other expenses consist of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Financial liabilities:				
Promotional expenses	₱1,100,694	₱1,708,628	₱1,100,500	₱1,531,463
Rent and utilities payable	414,424	339,271	410,792	332,363
Information technology-related expenses	145,090	617,853	145,090	617,853
Repairs and maintenance	105,759	171,579	105,759	171,579
Professional fees	50,431	282,993	25,877	237,985
	1,816,398	3,120,324	1,788,018	2,891,243
Nonfinancial liabilities:				
Monetary value of leave credits	1,813,772	1,846,704	1,784,289	1,805,054
PDIC insurance premiums	1,093,893	1,055,331	1,078,415	1,039,853
Other taxes and licenses	775,776	889,776	757,116	878,562
Employee benefits	103,099	206,970	95,198	177,333
Other expenses	1,049,778	918,321	953,728	868,878
	4,836,318	4,917,102	4,668,746	4,769,680
	₱6,652,716	₱8,037,426	₱6,456,764	₱7,660,923

‘Other expenses’ include janitorial, representation and entertainment, communication and other operating expenses.

21. Bonds Payable

This account consists of:

Issue Date	Maturity Date	Face Value	Coupon Rate	Interest Repayment Terms	Carrying Value	
					2024	2023
October 23, 2024	October 23, 2029	USD 300,000	4.85%	Semi-annually	₱17,304,421	₱–
June 27, 2019	September 27, 2024	750,000	3.28%	Semi-annually	–	41,490,871
		USD1,050,000			₱17,304,421	₱41,490,871

On October 14, 2024, The Parent Company issued US\$300 million benchmark-sized Sustainability Regulation S offering of 5-year senior notes (the “Notes”) under its US\$2 billion Euro Medium Term Note programme (the “Programme”). The 5-year bond was priced at T+102 basis points, with a fixed coupon rate of 4.85%.

The Parent Company’s issued bonds are fixed-rate medium-term senior notes, which are drawdowns from its Medium Term Note Programme (the MTN Programme) established on April 13, 2018 with an initial nominal size of US\$1.0 billion. On June 14, 2019, the Parent Company increased the size of its MTN Programme to US\$2.0 billion. Both issuances are listed in the Singapore Exchange Securities Trading Limited.

As of December 31, 2024 and 2023, the unamortized transaction costs of bonds payable amounted to ₱49.1 million and ₱26.3 million, respectively. In 2024 and 2023, amortization of transaction costs amounting to ₱38.7 million and ₱66.5 million, respectively, were charged to ‘Interest expense on bonds payable’ in the statements of income.



22. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Financial				
Accounts payable	₱3,714,056	₱2,988,517	₱3,379,103	₱2,661,756
Bills purchased - contra (Note 10)	3,196,612	1,362,515	3,196,612	1,362,515
Due to other banks (Note 33)	2,038,261	744,625	1,861,960	509,915
Dormant credits	1,700,209	1,280,886	1,625,299	1,215,351
Manager's checks and demand drafts outstanding	1,383,750	1,296,191	1,383,750	1,296,191
Accounts payable - electronic money	759,059	628,449	759,059	628,449
Payment order payable	180,883	221,340	180,883	221,340
Deposits on lease contracts	72,975	76,028	72,975	76,028
Transmission liability	48,612	49,101	—	—
Margin deposits and cash letters of credit	27,719	686,130	6,244	673,639
Deposit for keys on safety deposit boxes	15,639	15,919	15,639	15,919
	13,137,775	9,349,701	12,481,524	8,661,103
Nonfinancial				
Due to Treasurer of the Philippines	1,431,240	1,444,009	1,431,240	1,444,009
Provisions (Notes 12 and 34)	878,874	1,068,215	848,300	992,950
Deferred revenue - Credit card-related	598,593	672,373	598,593	672,373
Withholding tax payable	473,641	374,139	470,812	370,340
Deferred revenue - Bancassurance (Note 12)	322,031	395,231	322,031	395,231
Deferred tax liabilities (Note 30)	167,524	166,091	—	—
SSS, Philhealth, Employer's compensation premiums and Pag-IBIG contributions payable	65,404	54,638	65,301	54,617
Retirement benefit liability (Note 28)	9,455	281,585	—	269,390
Miscellaneous	1,021,519	935,940	853,788	693,850
	4,968,281	5,392,221	4,590,065	4,892,760
	₱18,106,056	₱14,741,922	₱17,071,589	₱13,553,863

'Deferred revenue - Bancassurance' pertains to the allocated portion of the consideration received for the disposal of APLII related to the EDR and the exclusive bancassurance arrangement for the non-life insurance business with ABIC (refer to Note 12.7). In 2024 and 2023, amortization of other deferred revenue amounting to ₱73.2 million were recognized under 'Service fees and commission income' (refer to Note 26.1).

'Miscellaneous' include interoffice floats, remittance-related payables, overages, advance rentals and sundry credits.

23. Derivative Financial Instruments

The tables below show the fair values of the derivative financial instruments entered into by the Group and the Parent Company, recorded as 'Financial assets at FVTPL' (refer to Note 9.1) or 'Financial liabilities at FVTPL' (refer to Note 18), together with the notional amounts.

The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2024 and 2023 and are not indicative of either market risk or credit risk (amounts in thousands, except average forward rate).



Consolidated				
2024				
	Assets	Liabilities	Average Forward Rate*	Notional Amount*
Currency forwards and spots:				
BUY:				
USD	₱296,412	₱251,056	USD1.00	3,957,296
SGD	2,230	—	0.74	70
EUR	—	140,877	1.04	32,133
JPY	—	7,510	0.01	1,613,534
CNY	—	48	0.14	6,300
GBP	—	31	1.25	815
SELL:				
USD	706,649	518,175	1.00	1,199,419
EUR	75,962	340	1.04	36,133
SGD	1,895	20	0.74	3,107
CAD	1,121	—	0.69	1,000
GBP	924	22	1.25	1,795
JPY	826	—	0.01	53,344
NZD	682	—	0.56	500
HKD	406	1,213	0.13	2,953,553
PHP	—	4,749	0.02	3,186,225
AUD	—	12	0.62	500
	₱1,087,107	₱924,053		

*The notional amounts pertain to original currencies.

Consolidated				
2023				
	Assets	Liabilities	Average Forward Rate*	Notional Amount*
Currency forwards and spots:				
BUY:				
JPY	₱90,263	₱190,651	USD0.01	17,322,000
USD	40,763	351,871	1.00	1,344,799
SGD	456	—	0.76	11
SELL:				
USD	615,180	7,147	1.00	1,661,278
HKD	2,493	1	0.13	345,477
GBP	44	395	1.27	1,970
SGD	—	2,840	0.76	863
EUR	—	2,006	1.11	3,300
CAD	—	405	0.76	800
PHP	—	300	0.02	830,850
NZD	—	195	0.63	400
	₱749,199	₱555,811		

*The notional amounts pertain to original currencies.



Parent Company				
2024				
	Assets	Liabilities	Average Forward Rate*	Notional Amount*
Currency forwards and spots:				
BUY:				
USD	₱296,006	₱249,876	USD1.00	1,006,743
SGD	2,230	—	0.74	70
EUR	—	140,876	1.04	32,133
JPY	—	7,510	0.01	1,613,534
CNY	—	48	0.14	6,300
GBP	—	31	1.25	815
SELL:				
USD	706,649	518,175	1.00	1,199,419
EUR	75,962	340	1.04	36,133
SGD	1,895	20	0.74	3,107
CAD	1,121	—	0.69	1,000
GBP	924	22	1.25	1,795
JPY	826	—	0.01	53,344
NZD	682	—	0.56	500
PHP	—	4,749	0.13	3,186,225
HKD	—	33	0.02	3,000
AUD	—	13	0.62	500
	₱1,086,295	₱921,693		

*The notional amounts pertain to original currencies.

Parent Company				
2023				
	Assets	Liabilities	Average Forward Rate*	Notional Amount*
Currency forwards and spots:				
BUY:				
USD	₱38,270	₱351,871	USD1.00	1,300,926
JPY	90,263	190,651	0.01	17,322,000
SGD	456	—	0.76	11
SELL:				
USD	615,180	7,147	0.02	1,661,278
SGD	—	2,840	0.76	863
EUR	—	2,006	1.11	3,300
CAD	—	405	0.76	800
GBP	44	395	1.27	1,970
PHP	—	300	0.02	830,850
NZD	—	195	0.63	400
HKD	—	1	0.13	2,700
	₱744,213	₱555,811		

*The notional amounts pertain to original currencies.



The rollforward analysis of net derivative assets in 2024 and 2023 follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Balance at the beginning of the year:				
Derivative assets	₱749,199	₱1,361,951	₱744,213	₱1,359,828
Derivative liabilities	555,811	1,039,776	555,811	1,039,776
	193,388	322,175	188,402	320,052
Changes in fair value				
Currency forwards and spots*	(74,512)	(135,968)	(79,497)	(136,672)
Interest rate swaps and warrants**	(1,115)	609	(1,115)	609
	(75,627)	(135,359)	(80,612)	(136,063)
Net availments (settlements)	45,293	6,572	56,812	4,413
Balance at end of year:				
Derivative assets	1,087,107	749,199	1,086,295	744,213
Derivative liabilities	924,053	555,811	921,693	555,811
	₱163,054	₱193,388	₱164,602	₱188,402

* Presented as part of 'Foreign exchange gains - net'

** Recorded under 'Trading and investment securities gains - net' (refer to Note 9.5)

24. Maturity Analysis of Assets and Liabilities

The following tables show an analysis of assets (gross of allowance for impairment and credit losses) and liabilities of the Group and Parent Company analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from reporting date:

	Consolidated					
	2024			2023		
	Less than Twelve Months	Over Twelve Months	Total	Less than Twelve Months	Over Twelve Months	Total
Financial Assets						
Cash and other cash items	₱20,638,033	₱—	₱20,638,033	₱21,151,391	₱—	₱21,151,391
Due from BSP	55,128,316	—	55,128,316	95,410,350	—	95,410,350
Due from other banks	20,188,638	—	20,188,638	21,253,754	—	21,253,754
Interbank loans receivable (Note 8)	22,793,332	—	22,793,332	35,642,485	—	35,642,485
Securities held under agreements to resell (Note 8)	103,526,359	—	103,526,359	69,708,690	—	69,708,690
Financial assets at FVTPL (Note 9)	17,920,985	—	17,920,985	10,516,864	—	10,516,864
Financial assets at FVOCI (Note 9)	125,158,359	86,584,424	211,742,783	112,174,065	52,357,427	164,531,492
Investment securities at amortized cost (Note 9)	17,873,615	94,696,237	112,569,852	21,997,197	101,359,065	123,356,262
Loans and receivables (Note 10)	330,821,051	349,052,823	679,873,874	311,983,380	347,975,013	659,958,393
Other assets (Note 15)	427,311	20,162	447,473	383,478	18,779	402,257
	714,475,999	530,353,646	1,244,829,645	700,221,654	501,710,284	1,201,931,938
Nonfinancial Assets						
Property and equipment (Note 11)	—	25,122,850	25,122,850	—	25,026,058	25,026,058
Investment in an associate (Note 12)	—	3,446,613	3,446,613	—	3,199,124	3,199,124
Investment properties (Note 13)	—	20,562,196	20,562,196	—	18,727,971	18,727,971
Deferred tax assets (Note 30)	—	7,460,676	7,460,676	—	6,981,726	6,981,726
Goodwill (Note 14)	—	10,184,843	10,184,843	—	10,184,843	10,184,843
Intangible assets (Note 14)	—	10,004,004	10,004,004	—	8,329,479	8,329,479
Residual value of leased assets (Note 10)	—	—	—	5,658	—	5,658
Other assets (Note 15)	6,942,022	1,811,217	8,753,239	4,517,656	1,570,008	6,087,664
	6,942,022	78,592,399	85,534,421	4,523,314	74,019,209	78,542,523

(Forward)



	Consolidated					
	2024			2023		
	Less than Twelve Months	Over Twelve Months	Total	Less than Twelve Months	Over Twelve Months	Total
Less: Allowance for impairment and credit losses (Note 16)			₱47,207,940			₱47,247,648
Unearned and other deferred income (Note 10)			845,859			681,399
Accumulated depreciation and amortization (Notes 11, 13 and 14)			24,699,414			21,996,014
			₱1,257,610,853			₱1,210,549,400
Financial Liabilities						
Deposit liabilities (Note 17)	₱966,381,587	₱5,290,561	₱971,672,148	₱917,137,058	₱10,833,860	₱927,970,918
Financial liabilities at FVTPL (Note 18)	924,053	—	924,053	555,811	—	555,811
Bills and acceptances payable (Note 19)	20,208,451	—	20,208,451	19,047,156	1,115,447	20,162,603
Accrued interest payable (Note 20)	2,145,487	350	2,145,837	2,426,973	974	2,427,947
Accrued other expenses payable (Note 20)	1,816,398	—	1,816,398	3,120,324	—	3,120,324
Bonds payable (Note 21)	—	17,304,421	17,304,421	41,490,871	—	41,490,871
Other liabilities (Note 22)	11,510,963	1,626,812	13,137,775	8,134,350	1,215,351	9,349,701
	1,002,986,939	24,222,144	1,027,209,083	991,912,543	13,165,632	1,005,078,175
Nonfinancial Liabilities						
Lease liabilities (Note 29)	997,127	2,811,870	3,808,997	815,279	3,017,605	3,832,884
Accrued taxes and other expenses (Note 20)	3,204,301	1,632,017	4,836,318	3,529,374	1,387,728	4,917,102
Income tax payable	159,233	—	159,233	180,364	—	180,364
Other liabilities (Note 22)	2,294,638	2,673,643	4,968,281	2,188,421	3,203,800	5,392,221
	6,655,299	7,117,530	13,772,829	6,713,438	7,609,133	14,322,571
	₱1,009,642,238	₱31,339,674	₱1,040,981,912	₱998,625,981	₱20,774,765	₱1,019,400,746
	Parent Company					
	2024			2023		
	Less than Twelve Months	Over Twelve Months	Total	Less than Twelve Months	Over Twelve Months	Total
Financial Assets						
Cash and other cash items	₱20,522,258	₱—	₱20,522,258	₱21,052,526	₱—	₱21,052,526
Due from BSP	55,128,316	—	55,128,316	95,410,350	—	95,410,350
Due from other banks	11,482,953	—	11,482,953	13,636,497	—	13,636,497
Interbank loans receivable (Note 8)	21,287,758	—	21,287,758	33,445,364	—	33,445,364
Securities held under agreements to resell (Note 8)	103,526,359	—	103,526,359	69,708,690	—	69,708,690
Financial assets at FVTPL (Note 9)	17,770,142	—	17,770,142	10,363,259	—	10,363,259
Financial assets at FVOCI (Note 9)	125,166,623	86,103,711	211,270,334	112,186,240	51,950,731	164,136,971
Investment securities at amortized cost (Note 9)	17,845,947	94,341,918	112,187,865	21,859,529	101,026,771	122,886,300
Loans and receivables (Note 10)	319,396,422	345,979,459	665,375,881	301,689,657	343,699,637	645,389,294
Other assets (Note 15)	426,650	500	427,150	382,847	500	383,347
	692,553,428	526,425,588	1,218,979,016	679,734,959	496,677,639	1,176,412,598
Nonfinancial Assets						
Property and equipment (Note 11)	—	23,745,945	23,745,945	—	23,505,599	23,505,599
Investment in subsidiaries and an associate (Note 12)	—	21,630,204	21,630,204	—	20,567,070	20,567,070
Investment properties (Note 13)	—	19,929,744	19,929,744	—	18,061,869	18,061,869
Deferred tax assets (Note 30)	—	7,478,726	7,478,726	—	6,929,669	6,929,669
Goodwill (Note 14)	—	10,325,201	10,325,201	—	10,325,201	10,325,201
Intangible assets (Note 14)	—	9,747,958	9,747,958	—	8,836,155	8,836,155
Other assets (Note 15)	6,349,157	1,807,345	8,156,502	3,839,071	1,565,837	5,404,908
	6,349,157	94,665,123	101,014,280	3,839,071	89,791,400	93,630,471
Less: Allowance for impairment and credit losses (Note 16)			47,129,515			47,218,194
Unearned and other deferred income (Note 10)			828,479			663,302
Accumulated amortization and depreciation (Notes 11, 13 and 14)			23,778,201			21,787,417
			₱1,248,257,101			₱1,200,374,156

(Forward)



	Parent Company					
	2024			2023		
	Less than Twelve Months	Over Twelve Months	Total	Less than Twelve Months	Over Twelve Months	Total
Financial Liabilities						
Deposit liabilities (Note 17)	₱962,448,890	₱4,796,286	₱967,245,176	₱912,423,822	₱10,358,261	₱922,782,083
Financial liabilities at FVTPL (Note 18)	921,693	—	921,693	555,811	—	555,811
Bills and acceptances payable (Note 19)	20,208,451	—	20,208,451	19,047,156	1,115,447	20,162,603
Accrued interest payable (Note 20)	2,125,330	—	2,125,330	2,388,727	—	2,388,727
Accrued other expenses payable (Note 20)	1,788,018	—	1,788,018	2,891,243	—	2,891,243
Bonds payable (Note 21)	—	17,304,421	17,304,421	41,490,871	—	41,490,871
Other liabilities (Note 22)	10,854,712	1,626,812	12,481,524	7,445,752	1,215,351	8,661,103
	998,347,094	23,727,519	1,022,074,613	986,243,382	12,689,059	998,932,441
Nonfinancial Liabilities						
Lease liabilities (Note 29)	928,850	2,793,869	3,722,719	770,705	2,952,611	3,723,316
Accrued taxes and other expenses (Note 20)	3,048,642	1,620,104	4,668,746	3,381,952	1,387,728	4,769,680
Income tax payable	76,516	—	76,516	103,470	—	103,470
Other liabilities (Note 22)	1,956,451	2,633,614	4,590,065	1,759,137	3,133,623	4,892,760
	6,010,459	7,047,587	13,058,046	6,015,264	7,473,962	13,489,226
	₱1,004,357,553	₱30,775,106	₱1,035,132,659	₱992,258,646	₱20,163,021	₱1,012,421,667

25. Equity

25.1 Capital Stock

This account consists of (amounts in thousands, except for par value and number of shares):

	Shares	Amount
Common - ₱40 par value		
Authorized	1,750,000,001	₱70,000,000
Issued and outstanding		
Balance at the beginning and end of the year	1,525,764,850	₱61,030,594

The history of share issuances of the Parent Company since its initial public offering follows:

Date	Type of issuance	Number of common shares	Par value	Offer price
July 2019	Stock rights	276,625,172	₱40.00	₱43.38
February 2014	Stock rights	162,931,262	40.00	71.00
February 2013	Share-for-share swap with ABC common and preferred shares	423,962,500	40.00	97.90
September 2000	Pre-emptive stock rights	71,850,215	100.00	60.00
September 1999	Stock rights	68,740,086	100.00	137.80
December 1995	Third public offering	7,200,000	100.00	260.00
April 1992	Second public offering	8,033,140	100.00	265.00
June 1989	Initial public offering	10,800,000	100.00	100.00

In January 2013, the SEC approved the conversion of the Parent Company's 195,175,444 authorized preferred shares into common shares, thereby increasing its authorized common shares to 1,250,000,001. Further, in July 2014, the SEC approved the Parent Company's Articles of Incorporation for the increase in authorized capital by 500,000,000 common shares to 1,750,000,001.

The Parent Company's shares are listed in the PSE. As of December 31, 2024 and 2023, the Parent Company had 35,918 and 36,081 stockholders, respectively.



On July 22, 2019, the Parent Company successfully completed its Stock Rights Offering (SRO) of 276,625,172 common shares with a par value of ₱40.0 per share at a price of ₱43.38 each, raising gross proceeds of ₱12.0 billion. Out of the total transaction costs from the SRO, underwriting fees amounting to ₱10.0 million paid to PNB Capital, being one of the joint lead managers, was eliminated against 'Capital paid in excess of par value' in the consolidated financial statements.

25.2 Surplus

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

As of December 31, 2024 and 2023, surplus amounting to ₱9.6 billion, representing the balances of the following equity items that have been applied to eliminate the Parent Company's deficit through quasi-reorganizations in 2002 and 2000 (refer to Note 12), is not available for dividend declaration without prior approval from the SEC and the BSP:

Revaluation increment on land and buildings	₱7,691,808
Accumulated translation adjustment	1,315,685
Accumulated equity in net earnings of investees	563,048
	₱9,570,541

25.3 Surplus Reserves

This account consists of:

	2024	2023
Reserves under BSP Circular 1011 (Note 10)	₱4,187,284	₱3,912,672
Reserves for trust business (Note 32)	674,753	660,258
Reserves for self-insurance	105,000	105,000
	₱4,967,037	₱4,677,930

'Reserves under BSP Circular 1011' represents the appropriation for the excess of 1% general loan loss provisions over the computed ECL for Stage 1 accounts in accordance with BSP Circular 1011.

'Reserves for self-insurance' represents the amount set aside to cover losses due to fire or defalcation by, and other unlawful acts, of the Parent Company's personnel or third parties.

25.4 Accumulated Translation Adjustment

As part of the Group's rehabilitation program in 2002, the SEC approved on November 7, 2002 the application of the accumulated translation adjustment of ₱1.6 billion to eliminate the Parent Company's remaining deficit of ₱1.3 billion, including ₱0.6 billion accumulated equity in net earnings as of December 31, 2001, after applying the total reduction in par value amounting to ₱7.6 billion.

The SEC approval is subject to the following conditions:

- remaining translation adjustment of ₱310.7 million as of December 31, 2001 (shown as part of 'Capital paid in excess of par value' in the statement of financial position) will not be used to wipe out losses that may be incurred in the future without prior approval of SEC;
- for purposes of dividend declaration, any future surplus account of the Parent Company shall be restricted to the extent of the deficit wiped out by the translation adjustment.



25.5 Other Equity Reserves

On August 26, 2016, the Parent Company's BOD approved the grant of centennial bonus to its employees, officers and directors on record as of July 22, 2016, in the form of the Parent Company's shares of stock. The acquisition and distribution of the estimated 3.0 million shares were over a period of five years, were subject to service conditions. The grant is accounted for as equity-settled share-based payments. Grant date was April 27, 2017 when the fair value of the centennial bonus shares was at ₱65.20. In 2021, the Parent Company awarded 306 thousand centennial bonus shares and applied the settlement of the awards against 'Other equity reserves' amounting to ₱29.0 million.

As discussed in Note 9.2, the Bank and PAL Holdings, Inc. completed a share swap transaction in April 2024 wherein the Bank exchanged the 19.86 million PAL shares held to 309.15 million PAL Holdings, Inc. shares. The share swap transaction resulted in the recycling of OCI to Surplus in the amount of ₱894.90 million and recognition of Other Equity Reserves amounting to ₱940.17 million. PAL Holdings, Inc. shares are recognized in the books as FVOCI amounting P1.53 billion as of December 31, 2024.

25.6 Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Parent Company and its financial allied subsidiaries are subject to the regulatory requirements of the BSP. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Parent Company may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous periods. The Group has complied with all externally imposed capital requirements throughout the year.

25.6.1 BSP Reporting for Capital Management

Under existing BSP regulations, the determination of the Group's compliance with regulatory requirements and ratios is based on the amount of the Group's unimpaired capital (regulatory net worth) reported to the BSP, which is determined based on RAP, which differ from PFRS Accounting Standards in some respects. In addition, the risk-based capital ratio of a bank or Capital Adequacy Ratio (CAR), expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% at all times 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 risk-weighted assets are computed based on RAP. Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the MB of the BSP.

On May 16, 2002, the BSP approved the booking of additional appraisal increment on properties of ₱431.8 million and recognition of the same in determining the CAR, and booking of translation adjustment of ₱1.6 billion representing the increase in peso value of the investment in foreign subsidiaries for purposes of the quasi-reorganization and rehabilitation of the Parent Company, provided that the same shall be excluded for dividend purposes.



As of December 31, 2024 and 2023, CAR reported to the BSP with certain adjustments is shown in the table below (amounts, except ratios, are expressed in millions):

Consolidated	2024		2023	
	Actual	Required	Actual	Required
CET1 Capital (Gross)	₱207,245		₱182,490	
Less: Regulatory Adjustments to CET1	48,157		47,253	
CET1 Capital (Net) / Tier 1 Capital	159,088		135,237	
Add: Tier 2 Capital	7,345		6,822	
Total qualifying capital	₱166,433	₱82,815	₱142,059	₱80,251
Total risk-weighted assets	₱828,154		₱802,506	
CET1 / Tier 1 capital ratio	19.21%		16.85%	
Total capital ratio	20.10%		17.70%	

Parent Company	2024		2023	
	Actual	Required	Actual	Required
CET1 Capital (Gross)	₱202,695		₱178,004	
Less: Regulatory Adjustments to CET1	66,225		64,326	
CET1 Capital (Net) / Tier 1 Capital	136,470		113,678	
Add: Tier 2 Capital	7,130		6,602	
Total qualifying capital	₱ 143,600	₱80,179	₱120,280	₱77,514
Total risk-weighted assets	₱801,791		₱775,138	
CET1 / Tier 1 capital ratio	17.02%		14.67%	
Total capital ratio	17.91%		15.52%	

BSP regulations set out a minimum CET1 ratio of 6.0% and Tier 1 capital ratio of 7.5%; capital conservation buffer of 2.5% comprised of CET1 capital; and total CAR of 10.0%.

In line with its ICAAP document, the Parent Company maintains a capital level that not only meets the BSP's CAR requirement, but also covers all material risks that it may encounter in the course of its business. The ICAAP process highlights close integration of capital planning and strategic management with risk management. The Parent Company has in place a risk management framework that involves a collaborative process for assessing and managing identified Pillar 1 and Pillar 2 risks. The Parent Company complies with the required annual submission of updated ICAAP.

25.6.2 BSP Reporting for Basel III Leverage Ratio

BSP also requires the Basel III Leverage Ratio (BLR), which is designed to act as a supplementary measure to the risk-based capital requirements. BLR 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. BLR is computed as the capital measure (Tier 1 capital) divided by the total exposure measure and should not be less than 5.00%.

As of December 31, 2024 and 2023, BLR reported to the BSP with certain adjustments is shown in the table below (amounts, except ratios, are expressed in millions):

	Consolidated		Parent Company	
	2024	2023	2024	2023
Tier 1 capital	₱157,434	₱135,237	₱136,471	₱113,678
Total exposure measure	1,295,205	1,242,728	1,267,623	1,213,940
BLR	12.16%	10.88%	10.77%	9.36%

BLR is computed based on RAP.



26. Other Operating Income

26.1 Service Fees and Commission Income

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Deposit-related	₱1,888,995	₱1,773,546	₱1,585,441	₱1,888,997	₱1,773,546	₱1,585,441
Loan-related	1,167,087	1,098,218	1,122,258	1,153,321	1,086,777	1,114,379
Credit card-related	1,141,819	816,028	669,862	1,141,819	816,028	669,862
Remittance (Note 33)	677,432	674,873	680,875	358,390	353,722	357,161
Interchange fees	591,637	647,084	458,456	591,637	647,084	458,456
Bancassurance (Note 22)	469,038	476,056	873,039	469,038	476,056	873,039
Underwriting fees	321,111	433,172	1,032,640	—	—	—
Trust fees (Note 32)	379,959	373,721	317,782	379,959	373,721	317,782
Miscellaneous	324,792	298,558	257,256	255,227	227,949	187,249
	₱6,961,870	₱6,591,256	₱6,997,609	₱6,238,388	₱5,754,883	₱5,563,369

‘Credit card-related fees’ and ‘Interchange fees’ were generated from the credit card business of the Parent Company.

‘Miscellaneous’ includes income from securities brokering activities and other fees and commission.

26.2 Net Gains on Sale or Exchange of Assets

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Net gains from foreclosure and repossession of investment properties	₱1,002,157	₱238,112	₱1,751,739	₱1,002,157	₱238,112	₱1,751,739
Net gains from sale of investment properties	569,409	3,277,077	5,703,909	569,409	3,276,848	5,701,642
Net gains from sale of other assets	284,675	313,864	241,807	284,496	313,864	241,807
Net gains from sale of property and equipment (Note 11)	138,801	712,514	34,913	135,248	793,070	32,027
Net gains from sale of receivables	—	—	42,786	—	—	42,786
	₱1,995,042	₱4,541,567	₱7,775,154	₱1,991,310	₱4,621,894	₱7,770,001

27. Miscellaneous Income and Expenses

27.1 Miscellaneous Income

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Recoveries	₱169,156	₱215,834	₱303,435	₱168,903	₱215,178	₱221,253
Income from assets acquired	148,891	74,074	95,736	148,891	74,074	95,736
Rental income (Notes 29 and 33)	116,604	257,758	275,865	74,020	133,392	47,345
Dividends	25,093	50,833	51,211	23,196	11,189	11,139
Others	229,227	272,895	410,445	85,019	191,074	345,960
	₱688,971	₱871,394	₱1,136,692	₱500,029	₱624,907	₱721,433



‘Others’ consist of income from wire transfers, tellers’ overages, and loan-related penalty payments received by the Group, and other income relating to loans, credit card and trade transactions.

27.2 Miscellaneous Expenses

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Secretarial, janitorial and messengerial	₱2,150,609	₱1,939,219	₱1,790,422	₱2,141,634	₱1,929,196	₱1,779,543
Insurance	1,957,262	2,000,871	1,778,214	1,941,535	1,985,502	1,763,300
Marketing expenses	1,487,066	794,060	1,070,147	1,479,877	787,800	1,063,239
Information technology	887,861	1,001,111	1,193,975	852,990	968,654	1,165,865
Litigation and assets acquired expenses (Note 13)	492,334	662,610	373,740	492,315	661,214	373,549
Travelling	454,731	331,658	339,868	448,431	325,628	333,898
Stationery and supplies	286,864	217,194	269,669	277,570	208,160	260,333
Management and other professional fees	250,228	274,788	279,363	200,311	225,202	220,880
Common use service area (CUSA) charges (Note 33)	219,235	220,143	188,770	219,235	220,143	188,772
Entertainment, amusement and recreation (EAR) (Note 30)	168,122	30,031	154,987	151,706	16,778	145,423
Postage, telephone and cable	156,991	153,964	156,800	123,335	124,527	127,895
Value-added tax on leases	138,676	187,479	141,988	138,676	187,479	141,988
Freight	50,455	45,676	41,599	50,450	45,666	41,547
Repairs and maintenance	45,777	49,585	79,303	45,777	49,585	79,303
Fuel and lubricants	12,185	14,620	16,301	10,083	11,232	13,751
Others (Note 33)	195,376	295,162	176,796	103,490	202,181	111,144
	₱8,953,772	₱8,218,171	₱8,051,942	₱8,677,415	₱7,948,947	₱7,810,430

‘Others’ include stationery and supplies used, donation, fines, penalties, periodicals, magazines and other charges.

28. Retirement Plan

The Parent Company and certain subsidiaries of the Group have separate funded, noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The amounts of net defined benefit asset/(liability) in the statements of financial position follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Net plan assets (included in ‘Other assets – miscellaneous’) (Note 15)	₱302,797	₱17,283	₱302,797	₱–
Retirement benefit liability (included in ‘Other liabilities’) (Note 22)	9,455	281,585	–	269,390
	₱293,342	(₱264,302)	₱302,797	(₱269,390)



The Parent Company also provides certain post-employee benefit through a guarantee of a specified return on contributions in one of its employee investment plans (EIP).

The latest actuarial valuations for these retirement plans were made as of December 31, 2024.

The following table shows the actuarial assumptions as of December 31, 2024 and 2023 used in determining the retirement benefit obligation of the Group:

	Consolidated		Parent Company			
			Regular Plans		EIP	
	2024	2023	2024	2023	2024	2023
Discount rate	6.10% - 6.12%	6.03% - 7.15%	6.12%	6.03%	6.12%	6.03%
Salary rate increase	5.00% - 10.00%	5.00% - 10.00%	5.00%	5.00%	—	—

The Group and the Parent Company employ asset-liability matching strategies to maximize investment returns at the least risk to reduce contribution requirements while maintaining a stable retirement plan. Retirement plans are invested to ensure that liquid funds are available when benefits become due, to minimize losses due to investment pre-terminations and maximize opportunities for higher potential returns at the least risk.

The current plan assets of the Group and the Parent Company are allocated to cover benefit payments in the order of their proximity to the present time. Expected benefit payments are projected and classified into short-term or long-term liabilities. Investment instruments that would match the liabilities are identified. This strategy minimizes the possibility of the asset-liability match being distorted due to the Group's and the Parent Company's failure to contribute in accordance with its general funding strategy.



The changes in the fair value of plan assets and present value obligation and are as follows:

Consolidated													
2024													
	Net benefit costs *						Remeasurements in other comprehensive income						
	January 1, 2024	Current service cost	Past service cost	Net interest	Settlement loss	Subtotal	Benefits paid	Return on plan asset excluding amount included in net interest	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions by employer	December 31, 2024
Fair value of plan assets	₱8,553,223	₱–	₱–	₱514,478	(₱21,594)	₱492,884	(₱895,037)	₱92,270	₱–	₱–	₱92,270	₱1,038,037	₱9,281,377
Present value of pension obligation	8,817,525	529,998	1,793	528,971	(7,588)	1,053,174	(895,037)	–	(45,106)	57,479	12,373	–	8,988,035
	(₱264,302)	(529,998)	(₱1,793)	(₱14,493)	(14,006)	(₱560,290)	₱–	₱92,270	₱45,106	(₱57,479)	₱79,897	₱1,038,037	₱293,342

*Net benefit costs are included in 'Compensation and fringe benefits' in the statements of income

In 2024, PNB Capital and PNB Securities amended certain provisions of its defined benefit retirement plan and EIP, resulting in the recognition of past service costs amounting to ₱1.8 million.

Consolidated													
2023													
	Net benefit costs *						Remeasurements in other comprehensive income						
	January 1, 2023	Current service cost	Past service cost	Net interest	Settlement loss	Subtotal	Benefits paid	Return on plan asset excluding amount included in net interest	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions by employer	December 31, 2023
Fair value of plan assets	₱7,883,698	₱–	₱–	₱545,884	₱–	₱545,884	(₱909,969)	(₱123,225)	₱–	₱–	(₱123,225)	₱1,156,835	₱8,553,223
Present value of pension obligation	8,262,548	518,273	–	569,815	508	1,088,596	(909,969)	–	398,325	(21,975)	376,350	–	8,817,525
	(₱378,850)	(₱518,273)	₱–	(₱23,931)	(₱508)	(₱542,712)	₱–	(₱123,225)	(₱398,325)	₱21,975	(₱499,575)	₱1,156,835	(₱264,302)

*Net benefit costs are included in 'Compensation and fringe benefits' in the statements of income

In 2023, as part of the winding down of PMLFC, it has settled its obligations to all plan members under its defined benefit retirement plan, recognizing settlement loss amounting to ₱0.5 million.



Parent Company											
2024											
	Net benefit costs *					Remeasurements in other comprehensive income					
	January 1, 2024	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Return on plan asset excluding amount included in net interest	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions by employer
Fair value of plan assets	₱8,496,808	₱–	₱–	₱512,358	₱512,358	(₱893,922)	₱92,314	₱–	₱–	₱92,314	₱1,036,922
Present value of pension obligation	8,766,198	524,106	–	526,310	1,050,416	(893,922)	–	64,010	(45,019)	18,991	–
	(₱269,390)	(₱524,106)	₱–	(₱13,952)	(₱538,058)	₱–	₱92,314	(₱64,010)	₱45,019	₱73,323	₱1,036,922
											₱9,244,480
											8,941,683
											₱302,797

*Net benefit costs are included in 'Compensation and fringe benefits' in the statements of income

Parent Company											
2023											
	Net benefit costs *					Remeasurements in other comprehensive income					
	January 1, 2023	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Return on plan asset excluding amount included in net interest	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions by employer
Fair value of plan assets	₱7,823,268	₱–	₱–	₱542,152	₱542,152	(₱899,272)	(₱120,898)	₱–	₱–	(₱120,898)	₱1,151,558
Present value of pension obligation	8,205,719	508,794	–	566,258	1,075,052	(899,272)	–	407,223	(22,524)	384,699	–
	(₱382,451)	(₱508,794)	₱–	(₱24,106)	(₱532,900)	₱–	(₱120,898)	(₱407,223)	₱22,524	(₱505,597)	₱1,151,558
											₱8,496,808
											8,766,198
											(₱269,390)

*Net benefit costs are included in 'Compensation and fringe benefits' in the statements of income



The Group and the Parent Company expect to contribute ₱49.8 million and ₱34.2 million, respectively, to the defined benefit plans in 2025. The average duration of the retirement liability of the Group and the Parent Company as of December 31, 2024 is 14 years.

Shown below is the maturity analysis of the undiscounted benefit payments:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Less than one year	₱2,087,036	₱2,006,787	₱2,086,609	₱2,006,149
More than one year to five years	5,591,080	5,561,003	5,567,348	5,536,660
More than five years to 10 years	4,327,867	4,216,312	4,299,336	4,181,267
More than 10 years to 15 years	4,073,951	3,796,315	4,054,070	3,776,079
More than 15 years	8,396,828	7,756,720	8,059,770	7,387,120

The fair values of plan assets by each class as at the end of the reporting periods are as follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Cash and cash equivalents (Note 33)	₱1,278,835	₱2,704,983	₱1,272,878	₱2,692,996
Equity investments				
Electricity, gas and water	1,167,625	1,023,715	1,167,625	1,023,715
Real estate, renting and business activities	1,095,950	377,728	1,092,132	376,478
Manufacturing	569,242	549,340	569,242	549,340
Financial institutions (Note 33)	217,952	157,649	216,170	152,059
Others	47,810	50,946	44,302	42,631
Debt investment				
Government securities	2,720,023	2,296,273	2,706,530	2,283,209
Private debt securities	457,976	218,317	451,613	212,419
Investment in UITFs (Note 33)	956,607	566,714	954,822	556,626
Loans and receivables	668,250	561,330	668,250	561,330
Interest and other receivables	102,890	48,797	102,647	48,493
	9,283,160	8,555,792	9,246,211	8,499,296
Accrued expenses	(1,783)	(2,569)	(1,731)	(2,488)
	₱9,281,377	₱8,553,223	₱9,244,480	₱8,496,808

All equity and debt investments held have quoted prices in active markets. Fair value of investments in UITFs is based on their published net asset value per share. The remaining plan assets do not have quoted market prices in an active market, thus, their fair value is determined using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans and receivables.

The fair value of the plan assets as of December 31, 2024 and 2023 for the Group includes investments in the Parent Company shares of stock with fair value amounting to ₱227.7 million and ₱152.1 million, respectively (refer to Note 33.3).

The plan assets have diverse investments and do not have any concentration risk.



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	2024			
	Consolidated		Parent Company	
	Possible fluctuations	Increase (decrease)	Possible fluctuations	Increase (decrease)
Discount rate	+1.00%	(P477,127)	+1.00%	(P472,397)
	-1.00%	531,118	-1.00%	525,378
Salary increase rate	+1.00%	497,980	+1.00%	492,376
	-1.00%	(472,301)	-1.00%	(467,537)
Employee turnover rate	+10.00%	58,540	+10.00%	58,074
	-10.00%	(58,540)	-10.00%	(58,074)

	2023			
	Consolidated		Parent Company	
	Possible fluctuations	Increase (decrease)	Possible fluctuations	Increase (decrease)
Discount rate	+1.00%	(P476,282)	+1.00%	(P470,919)
	-1.00%	531,114	-1.00%	524,667
Salary increase rate	+1.00%	491,712	+1.00%	485,411
	-1.00%	(460,915)	-1.00%	(455,512)
Employee turnover rate	+10.00%	61,646	+10.00%	61,050
	-10.00%	(61,646)	-10.00%	(61,050)

Full actuarial valuations were performed to test the sensitivity of the defined benefit obligation to a 1.00% increment in salary increase rate and a 1.00% decrement in the discount rate. The results also provide a good estimate of the sensitivity of the defined benefit obligation to a 1.00% decrement in salary increase rate and a 1.00% increment in the discount rate.

29. Leases

29.1 Group as Lessee

The Group has entered into commercial leases for its branch sites, ATM offsite location and other equipment. These non-cancellable leases have lease terms of 1 to 25 years. Most of these lease contracts include escalation clauses, an annual rent increase of 2.00% to 10.00%. The Group's right-of-use assets pertain to its corporate, branch sites and subsidiaries' offices under lease arrangements.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Rent expense charged against current operations (included in 'Occupancy and equipment-related costs' in the statements of income) amounted to P395.6 million, P264.1 million and P270.2 million in 2024, 2023 and 2022, respectively, for the Group, of which P291.7 million, P187.0 million and P201.6 million in 2024, 2023, and 2022, respectively, pertain to the Parent Company. Rent expenses in 2024, 2023 and 2022 pertain to expenses from short-term leases and leases of low-value assets.

As of December 31, 2024 and 2023, the Group has no contingent rent payable.



As of December 31, 2024 and 2023, the carrying amounts of 'Lease liabilities' are as follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Balance at beginning of year	₱3,832,884	₱3,636,391	₱3,723,316	₱3,604,077
Additions	956,755	1,340,509	907,278	1,185,129
Payments	(1,127,583)	(1,314,516)	(1,052,523)	(1,232,928)
Interest expense (Note 19)	175,831	171,570	172,824	168,285
Transfers	(28,890)	(1,070)	(28,176)	(1,247)
	₱3,808,997	₱3,832,884	₱3,722,719	₱3,723,316

The Parent Company has lease contracts with its affiliates (Note 33).

Future minimum rentals payable under non-cancelable leases follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Within one year	₱1,119,742	₱1,072,255	₱1,064,269	₱987,562
Beyond one year but not more than five years	3,138,644	3,171,247	3,048,968	3,057,198
More than five years	265,883	388,583	152,045	292,988
	₱4,524,269	₱4,632,085	₱4,265,282	₱4,337,748

29.2 Group as Lessor Under Operating Leases

The Parent Company has entered into commercial property leases on its investment properties. These non-cancelable leases have lease terms of one to five years. Some leases include escalation clauses (such as 5.00% per year). In 2024, 2023 and 2022, total rent income (included under 'Miscellaneous income') amounted to ₱116.6 million, ₱257.8 million and ₱275.9 million, respectively, for the Group and ₱74.0 million, ₱133.4 million and ₱47.3 million, respectively, for the Parent Company (refer to Note 27.1).

Future minimum rentals receivable of the Group under non-cancelable operating leases follow:

	2024	2023
Within one year	₱35,891	₱246,175
Beyond one year but not more than five years	42,254	77,745
	₱78,145	₱323,920

29.3 Group as Lessor Under Finance Leases

Leases where the Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased asset are classified as finance leases and are presented as receivable at an amount equal to the Group's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease (effective interest method). Lease payments relating to the period are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

The future minimum lease receivables under finance leases are disclosed under 'Loans and Receivables' in Note 10.2.



30. Income and Other Taxes

30.1 Philippine Tax Landscape and Regulations

Under Philippine tax laws, the Parent Company and certain subsidiaries are subject to percentage and other taxes (presented as ‘Taxes and licenses’ in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax and documentary stamp tax.

Income taxes include the corporate income tax, discussed below, and final taxes paid which represents final withholding tax on gross interest income from government securities and other deposit substitutes and income from the FCDU transactions. These income taxes, as well as the deferred tax benefits and provisions, are presented as ‘Provision for income tax’ in the statements of income.

On March 26, 2021, Republic Act No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% depending on the criteria set by the law effective July 1, 2020. With the implementation of CREATE, interest expense allowed as a deductible expense shall be reduced by 20.00% of the interest income subjected to final tax, compared to the 33.00% reduction prior to the CREATE.

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

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and some of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue. EAR charged against current operations (included in ‘Miscellaneous expenses’ in the statements of income) amounted to ₱168.1 million in 2024, ₱30.0 million in 2023, and ₱155.0 million in 2022 for the Group, and ₱151.7 million in 2024, ₱16.8 million in 2023, and ₱145.4 million in 2022 for the Parent Company (refer to Note 27.2).

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 15.00%. Income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks, is tax-exempt 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% income tax.



30.2 Provision for Income Tax

This account consists of:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Current						
Regular	₱1,589,423	₱1,404,428	₱3,463,008	₱1,460,234	₱1,327,057	₱3,238,970
Final	4,011,481	2,914,558	1,807,104	3,980,539	2,877,681	1,784,869
	5,600,904	4,318,986	5,270,112	5,440,773	4,204,738	5,023,839
Deferred	(501,172)	(311,611)	(338,884)	(544,600)	(356,770)	(339,814)
	₱5,099,732	₱4,007,375	₱4,931,228	₱4,896,173	₱3,847,968	₱4,684,025

30.3 Deferred Taxes

The amounts of net deferred tax assets in the statements of financial position follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Deferred tax assets	₱7,460,676	₱6,981,726	₱7,478,726	₱6,929,669
Deferred tax liabilities (Note 22)	167,524	166,091	—	—
	₱7,293,152	₱6,815,635	₱7,478,726	₱6,929,669

The components of net deferred tax assets reported in the statements of financial position follow:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Deferred tax assets on:				
Allowance for impairment, credit and other losses	₱9,700,391	₱9,281,393	₱9,776,691	₱9,331,283
Accumulated depreciation on properties	546,490	512,469	546,490	512,469
Accrued expenses	444,217	493,210	442,771	451,264
Unrealized trading losses on financial assets	230,423	—	230,423	—
Deferred revenues	114,373	185,317	114,373	185,317
Retirement liability	50,842	50,428	—	—
Unrealized losses on financial assets at FVTPL and FVOCI	17,332	—	17,300	—
Others	6,587	10,202	—	—
	11,110,655	10,533,019	11,128,048	10,480,333
Deferred tax liabilities on:				
Fair value adjustments on asset foreclosures and dacion transactions	1,917,719	1,590,559	1,769,381	1,442,221
Revaluation increment on land and buildings	898,676	1,516,383	898,676	1,516,383
Unrealized foreign exchange gains	538,754	186,371	538,754	186,339
Gain on remeasurement of previously held interest	246,651	246,651	246,651	246,651
Fair value adjustments due to business combination	119,659	155,541	119,659	155,541
Retirement assets	75,699	—	75,699	—
Unrealized gains on financial assets at FVTPL and FVOCI	502	3,571	502	3,529
Others	19,843	18,308	—	—
	3,817,503	3,717,384	3,649,322	3,550,664
	₱7,293,152	₱6,815,635	₱7,478,726	₱6,929,669



As of December 31, 2024 and 2023, the Group's net deferred tax liabilities as disclosed in 'Other liabilities' (refer to Note 22) include deferred tax liabilities on fair value adjustments due to business combination amounting to ₱148.3 million.

Benefit from deferred tax charged to OCI pertains to deferred tax on remeasurement gains on retirement plan amounting to ₱0.8 million and nil in 2024 and 2023, respectively, for the Group.

Provision for deferred tax charged directly to OCI pertains to deferred tax on net unrealized losses on financial assets at FVOCI amounting to ₱1.0 million for the Group and the Parent Company in 2024, and ₱0.2 million for the Group and the Parent Company in 2023.

Unrecognized deferred tax assets

The Parent Company and certain subsidiaries did not recognize deferred tax assets on the following unused tax credit and losses and temporary differences since they believe that the related tax benefits will not be realized in the future:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Allowance for impairment and credit losses	₱4,459,922	₱8,262,820	₱4,459,922	₱8,262,820
Unamortized past service cost	2,099,740	1,576,711	2,099,740	1,576,711
NOLCO	972,676	959,254	—	—
Lease liability	564,752	402,146	562,990	399,340
Derivative liabilities	—	555,811	—	555,811
Unrealized losses on financial assets	—	147,661	—	147,661
Unrealized foreign exchange loss	—	95,747	—	95,747
Retirement liability	—	269,391	—	269,391
	₱8,097,090	₱12,269,541	₱7,122,652	₱11,307,481

Details of the Group's NOLCO follow:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2020	₱89,960	₱—	₱89,960	2025
2021	50,841	—	50,841	2026
2022	830,749	—	830,749	2025
2023	1,126	—	1,126	2026
	₱972,676	₱—	₱972,676	

Unrecognized deferred tax liabilities

As of December 31, 2024 and 2023, there was a deferred tax liability of ₱986 million and ₱895.9 million for temporary differences of ₱3.9 billion and ₱3.6 billion related to investment in certain subsidiaries, respectively. However, this liability was not recognized because the Parent Company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.



30.4 Statutory Income Tax Reconciliation

The reconciliation between the statutory income tax rate to effective income tax rate follows:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Tax effects of:						
Net unrecognized deferred tax assets	(7.03)	(11.20)	(6.04)	(7.13)	(11.74)	(6.36)
Non-deductible expenses	5.62	12.28	14.69	5.20	12.16	13.73
Tax-paid income	(3.12)	(2.76)	(2.01)	(3.14)	(2.82)	(2.05)
FCDU loss (income) before tax	(0.75)	(0.61)	1.49	(0.76)	(0.61)	1.52
Tax-exempt income	(0.29)	(4.36)	(2.91)	(0.29)	(4.38)	(2.96)
Optional standard deduction	(0.02)	(0.11)	(0.36)	—	—	—
Effective income tax rate	19.41%	18.24%	29.86%	18.88%	17.61%	28.88%

31. Earnings Per Share

Earnings per share attributable to equity holders of the Parent Company is computed as follows:

	Consolidated			Parent Company		
	2024	2023	2022	2024	2023	2022
a) Net income attributable to equity holders of the Parent Company	₱21,052,896	₱17,979,257	₱11,532,318	₱21,036,661	₱18,002,948	₱11,532,318
b) Weighted average number of common shares for basic earnings per share (Note 25)	1,525,765	1,525,765	1,525,765	1,525,765	1,525,765	1,525,765
c) Basic/Diluted earnings per share (a/b)	₱13.80	₱11.78	₱7.56	₱13.79	₱11.80	₱7.56

In 2024, 2023 and 2022, there are no potential common shares with dilutive effect on the basic earnings per share.

32. Trust Operations

Securities and other properties held by the Parent Company through its TBG in fiduciary or agency capacities for its customers are not included in the accompanying statements of financial position since these are not assets of the Parent Company. Such assets held in trust were carried at a value of ₱190.6 billion and ₱168.0 billion as of December 31, 2024 and 2023, respectively. In connection with the trust functions of the Parent Company, government securities amounting to ₱1.9 billion and ₱1.8 billion (included under 'Investment securities at amortized cost') as of December 31, 2024 and 2023, respectively, are deposited with the BSP in compliance with trust regulations (refer to Note 9.3).

Trust fee income in 2024, 2023 and 2022 amounting to ₱380.0 million, ₱373.7 million and ₱317.8 million, respectively, is included under 'Service fees and commission income' (refer to Note 26.1).

In compliance with existing banking regulations, the Parent Company transferred from surplus to surplus reserves the amounts of ₱14.5 million, ₱29.9 million and ₱24.7 million in 2024, 2023 and 2022, respectively, which correspond to 10.00% of the net income realized in the preceding years from its trust, investment management and other fiduciary business until such related surplus reserve constitutes 20.00% of its regulatory capital (refer to Note 25.3).



33. Related Party Transactions

33.1 Summary of Significant Related Party Transactions

Details on significant related party transactions of the Group and the Parent Company follow (transactions with subsidiaries have been eliminated in the consolidated financial statements). Transactions reported under subsidiaries represent companies where the Parent Company has control, while those under related parties represent companies which are under common control.

Category	2024		
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investors			
Deposit liabilities		₱3,054,420	Peso and foreign currency deposits with annual rates ranging from 0.00% to 6.25%
Net deposits	₱777,494		Net deposits during the period
Interest expense	123,710		Interest expense on deposits
Accrued interest payable		8,729	Accrued interest on deposit liabilities
Subsidiaries			
Credit facilities		11,293,839	Includes omnibus line and revocable revolving credit lines, domestic bills purchase lines and letters of credit/ trust receipt lines; also includes irrevocable standby letters of credit;
Interbank loans receivable		3,015	Foreign currency-denominated interbank term loans with interest rates ranging from 2.95% to 5.05% with ACB, including foreign exchange revaluations
Availments	162,078		
Settlements and other movements	211,743		
Due from other banks		197,801	Foreign currency-denominated demand deposits
Accrued interest receivable		2	Interest accrual on receivables from customers and interbank loans receivable
Accounts receivable		36,152	Related to remittance transactions and amounts which are subject to clearing
Deposit liabilities		4,230,583	Peso and foreign currency-denominated deposits with annual fixed interest rates ranging from 0.0% to 5.70% and maturities up to 4 years
Net deposits	1,075,214		Net withdrawals during the period
Bills payable		–	Foreign currency-denominated bills payable with ACB with interest rate of 4.0%
Availments	28,300		
Settlements	28,300		
Due to other banks		13,880	Foreign currency-denominated clearing accounts used for funding and settlement of remittances
Accrued interest payable		30,733	Accrued interest on deposit liabilities and bills payable
Interest income	1,549		Interest income on receivables from customers, due from other banks and interbank loans receivable
Interest expense	213,269		Interest expense on deposit liabilities and bills payable
Miscellaneous other income	3,271		Management and other professional fees; includes share of subsidiaries in maintenance costs of the HR system
Securities transactions			
Purchases	5,026,632		Outright purchase of securities
Sales	1,621,332		Outright sale of securities
Trading loss	431		Loss from sale of investment securities

(Forward)



2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Other Related Parties			
Receivables from customers		₱43,455,926	Partly secured by real estate, vehicles, deposits, government securities, among others; with interest rates ranging from 2.75% to 12.00% with remaining maturity terms ranging from 2 days to over 24 years and payment terms ranging from monthly to quarterly payments; with aggregate allowance for credit losses of ₱87.8 million including foreign exchange revaluations.
Loan releases	₱195,397,876		
Loan collections and other movements	207,240,908		
Credit facilities		92,058,444	Includes omnibus line and revocable revolving credit lines and domestic bills purchase lines; also includes irrevocable standby letters of credit which are partly secured by either cash or government securities
Sales contract receivable		734	Receivable from sale of property paid in installments; with interest rate of 6.0% and maturing in July 2027
Financial assets at FVOCI		26,687,751	Majority represents the retained 49.00% interest in PNB Holdings, with unrealized gain of ₱2.1 billion recorded in OCI (refer to Note 12.4 for further discussion)
Accrued interest receivable		175,958	Accrued interest on receivables from customers
Security deposit		175,513	Amount given to fulfill the terms of the lease contract
Accounts Receivable		116,760	Receivable from conveyance of real estate inventories held under development
Right-of-use assets		2,959,837	Lease of office space with terms up to 10 years and the
Accumulated depreciation of right-of-use assets		1,236,440	corresponding accumulated amortization
Deposit liabilities		49,367,453	Peso-denominated and foreign currency-denominated demand, savings and time deposits with maturity terms ranging from 7 days to over 5 years and with interest rates ranging from 0.0% to 6.88%
Net deposits	3,033,990		Net deposits during the period
Accrued interest payable		162,221	Accrued interest payable from various deposits
Lease liabilities		1,920,896	Lease of office space with terms ranging from 20 months to 10 years
Accrued other expenses		655,134	Accruals in relation to promotional and utilities expenses
Deferred revenue		37,778	Unamortized portion of income related to the bancassurance agreement with ABIC
Accrued other expenses		655,134	Accruals in relation to promotional and utilities expenses
Deferred revenue		37,778	Unamortized portion of income related to the bancassurance agreement with ABIC
Service fees and commission income	3,333		Amortization of fees under the bancassurance agreement with ABIC
Interest income	1,621,730		Interest income on receivables from customers
Interest expense	1,678,513		Interest expense on deposit liabilities, bonds payable, bills payable and lease liabilities
Depreciation expense	463,922		Depreciation of right-of-use asset relating to leases of office spaces
Occupancy and equipment-related costs	109,984		Rentals from short-term leases
Miscellaneous expenses	691,214		Includes CUSA charges for the Parent Company's share in common areas on premises owned by PNB Holdings; promotional expenses for Mabuhay Miles redemption; includes management fees paid to Eton Properties Philippines, Inc.; and other expenses

(Forward)



2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Securities transactions			
Purchases	₱16,557,303		Outright purchase of securities
Sales	12,200,349		Outright sale of securities
Trading gain	4,671		Gain from sale of securities
Associate			
Credit facilities		₱120,000	Pre-settlement risk line
Deposit liabilities		881,014	Peso and foreign currency-denominated deposits with annual interest rates ranging from 0.01% to 5%
Net deposits	752,849		
Accrued interest payable		2	Accrued interest on deposit liabilities
Rental deposits		27	Advance rental and security deposits received for three months
Deferred revenue		322,031	Unamortized portion of income related to the sale of APLII
Service fees and commission income	73,199		Bancassurance fees earned based on successful referrals and income related to the sale of APLII
Interest expense	1,036		Interest expense on deposit liabilities
Key Management Personnel			
Loans to officers		162,370	Housing loans to senior officers with interest rates ranging from 3% to 17.55%; Secured and unimpaired
Loan releases	₱204,885		
Loan collections	43,586		
Accrued interest receivable		399	Accrued interest on loans
Interest income	9,811		Interest income on housing loans
Deposit liabilities		910,771	Peso and foreign currency-denominated deposits with interest rates ranging from 0.0% to 4.75%
Net deposits	42,921		Net deposits during the period
Interest expense	10,368		Interest expense on deposits
Accrued interest payable		1,227	Accrued interest on deposit liabilities
Sales Contract Receivable		1,359	Receivable from personnel with interest rate of 5%, and maturing from Dec 2025 to Aug 2027
2023			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investors			
Deposit liabilities		₱2,276,926	Peso and foreign currency deposits with annual rates ranging from 0.00% to 6.25%
Net deposits	₱953,917		Net deposits during the period
Interest expense	65,774		Interest expense on deposits
Accrued interest payable		2,188	Accrued interest on deposit liabilities
Subsidiaries			
Receivables from customers		—	Peso loans with terms ranging from 31 days to 354 days with annual rate of 9.00%; with reversal of provisions amounting to ₱165.6 million; written off in December 2023 (see discussion below)
Loan releases	465,142		
Loan collections	165,560		
Loan settlement through dacion and assignment	1,404,582		
Credit facilities		10,638,270	Includes omnibus line and revocable revolving credit lines, domestic bills purchase lines and letters of credit/ trust receipt lines; also includes irrevocable standby letters of credit;

(Forward)



2023			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Interbank loans receivable		₱52,680	Foreign currency-denominated interbank term loans with interest rates ranging from 3.92% to 3.94% with ACB
Availments	₱83,579		
Settlements	46,606		
Due from other banks		288,020	Foreign currency-denominated demand deposits
Accrued interest receivable		1,076	Interest accrual on receivables from customers and interbank loans receivable
Accounts receivable		17,276	Related to remittance transactions and amounts which are subject to clearing
Deposit liabilities		3,155,369	Peso and foreign currency-denominated deposits with annual fixed interest rates ranging from 0.0% to 4.95% and maturities up to 4 years
Net withdrawals	339,101		Net withdrawals during the period
Bills payable		–	Foreign currency-denominated bills payable with ACB
Settlements	13,758		with interest rate of 4.0%
Due to other banks		65	Foreign currency-denominated clearing accounts used for funding and settlement of remittances with GRFC, IIC, PNB Europe, and ACB
Accrued interest payable		21,113	Accrued interest on deposit liabilities and bills payable
Interest income	187,821		Interest income on receivables from customers, due from other banks and interbank loans receivable
Interest expense	201,534		Interest expense on deposit liabilities and bills payable
Service fees and commission income	5,209		Various services rendered by PNB to its subsidiaries covered by a service level agreement; also includes PNB's share in service fees
Miscellaneous other income	2,580		Management and other professional fees; includes share of subsidiaries in maintenance costs of the HR system
Service fees and commission expense	57		Fees and other commission expense
Securities transactions			
Purchases	1,097,734		Outright purchase of securities
Sales	690,027		Outright sale of securities
Trading loss	42		Loss from sale of investment securities
Other Related Parties			
Receivables from customers		55,298,956	Partly secured by real estate, vehicles, deposits, government securities, among others; with interest rates ranging from 2.75% to 12.00% with remaining maturity terms ranging from 7 days to over 8 years and payment terms ranging from monthly to quarterly payments; with aggregate allowance for credit losses of ₱169.6 million
Loan releases	31,771,690		
Loan collections	18,659,908		
Credit facilities		77,116,535	Includes omnibus line and revocable revolving credit lines and domestic bills purchase lines; also includes irrevocable standby letters of credit which are partly secured by either cash or government securities
Sales contract receivable		2,173	Receivable from sale of property paid in installments; with interest rate of 5.0% and maturing in July 2027
Financial assets at FVOCI		24,587,068	Majority represents the retained 49.00% interest in PNB Holdings, with unrealized gain of ₱1.7 billion recorded in OCI (refer to Note 12.4 for further discussion)
Accrued interest receivable		297,551	Accrued interest on receivables from customers
Security deposit		176,082	Amount given to fulfill the terms of the lease contract
Right-of-use assets		3,136,508	Lease of office space with terms up to 10 years and the

(Forward)



2023			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Accumulated depreciation of right-of-use assets		₱1,081,498	corresponding accumulated amortization
Deposit liabilities		46,333,463	Peso-denominated and foreign currency-denominated demand, savings and time deposits with maturity terms ranging from 7 days to over 13 years
Net deposits	₱5,980,997		Net deposits during the period
Accrued interest payable		267,825	Accrued interest payable from various deposits
Bills payable		–	Short-term borrowings with interest rate of 6.41%
Avalment	400,000		
Settlement	400,000		
Lease liabilities		2,107,960	Lease of office space with terms ranging from 20 months to 10 years
Accrued other expenses		402,589	Accruals in relation to promotional and utilities expenses
Deferred revenue		41,111	Unamortized portion of income related to the bancassurance agreement with ABIC
Service fees and commission income	3,334		Amortization of fees under the bancassurance agreement with ABIC
Interest income	1,997,271		Interest income on receivables from customers
Interest expense	1,644,192		Interest expense on deposit liabilities, bonds payable, bills payable and lease liabilities
Depreciation expense	671,137		Depreciation of right-of-use asset relating to leases of office spaces
Occupancy and equipment-related costs	760,547		Rentals from short-term leases
Miscellaneous expenses	572,875		Includes CUSA charges for the Parent Company's share in common areas on premises owned by PNB Holdings; promotional expenses for Mabuhay Miles redemption; includes management fees paid to Eton Properties Philippines, Inc.; and other expenses
Rental income	151		Payment received for the use or occupation of property
Service fees and commission expenses	114		Fees and other commission expense
Securities transactions			
Purchases	7,106,329		Outright purchase of securities
Sales	9,103,280		Outright sale of securities
Remittance transactions			
Fund transfers	3,957,891		Peso equivalent of funds transferred
Service fees	10,976		Income share and commission on remittance transactions
Purchase of merchandise	249		Cost of various merchandise purchased
Associate			
Credit facilities		120,000	Pre-settlement risk line
Deposit liabilities		128,165	Peso and foreign currency-denominated deposits with annual interest rates ranging from 0% to 0.10%
Net withdrawals	339,881		
Accrued interest payable		41	Accrued interest on deposit liabilities
Rental deposits		27	Advance rental and security deposits received for three months
Deferred revenue		548,993	Unamortized portion of income related to the sale of APLII
Service fees and commission income	431,287		Bancassurance fees earned based on successful referrals and income related to the sale of APLII
Interest expense	1,300		Interest expense on deposit liabilities

(Forward)



2023			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Key Management Personnel			
Loans to officers		₱1,071	Housing loans to senior officers with interest rates ranging from 3% to 15%; Secured and unimpaired
Loan releases	₱1,071		
Loan collections	2,778		
Accrued interest receivable		12	Accrued interest on loans
Interest income	277		Interest income on housing loans
Deposit liabilities		119,449	Peso and foreign currency-denominated deposits with interest rates ranging from 0.0% to 4.75%
Net deposits	118,975		Net deposits during the period
Interest expense	3,372		Interest expense on deposits
Accrued interest payable		801	Accrued interest on deposit liabilities

Remedies over a loan exposure to a related party

In April 2022, the Parent Company entered into a dacion agreement with a related party over an investment property with fair value at the time of dacion of ₱1.4 billion in settlement of certain loans. The remedy to settle the loan also provided for the conversion of the remaining debt to equity shares of the former borrower, where the Bank received 19.9 million shares. These shares were subsequently subjected to a share swap, as discussed in Note 9.2.

Transactions relating to the investment in PNB Holdings

As discussed in Note 12.4, the Parent Company executed a proxy in favor of LTG to vote for the remaining 49.00% held by the Group in PNB Holdings. As a result, the Group accounted for its retained interest in PNB Holdings as financial asset at FVOCI with no recycling to profit and loss. The Group and the Parent Company recognized in 2021 a gain of ₱33.5 billion from the loss of control and remeasurement of the retained interest in PNB Holdings (refer to Note 12.4).

In relation to the property dividend declaration, the Parent Company, as a withholding agent, remitted ₱404.4 million to the BIR in January 2022, representing final withholding taxes on the property dividends of concerned stockholders. This was recorded under 'Accounts receivable' in the statement of financial position. The Parent Company collected ₱162.7 million of its receivable from stockholders in 2024.

Financial assets at FVTPL traded through PNB Securities

As of December 31, 2024 and 2023, the Parent Company's financial assets at FVTPL include equity securities traded through PNB Securities with a fair value of ₱2.9 million and ₱2.6 million, respectively. The Parent Company recognized trading gains (losses) amounting to ₱0.2 million in 2024, (₱0.04 million) in 2023 and ₱0.1 million in 2022 from the transactions facilitated by PNB Securities.

Joint arrangements with Eton Properties Philippines, Inc. (EPPI)

The Parent Company and EPPI signed two agreements for the development of two real estate properties of the Parent Company included under 'Other assets' (refer to Note 15) and with carrying values of ₱1.2 billion at the time of signing. EPPI and the Group are under common control. These two projects are among the Parent Company's strategies in reducing its non-performing assets. The Parent Company made available the aforementioned properties which was approved by BSP. EPPI, on the other hand, provided its resources and technical expertise for the development of the properties. Income from the sale of the properties are shared by the Parent Company and EPPI in accordance with the terms of the agreement.



In July 2016, the Parent Company executed deeds of conveyance to EPPI on the areas of the land under the arrangement. The execution of the deeds of conveyance was made to facilitate the issuance of the condominium certificates of title to the buyers.

On December 27, 2024, EPPI and the Bank have agreed to terminate the arrangement due to market conditions. The termination of the arrangement involved the settlement of unsold condominium units and undeveloped properties between EPPI and the Bank. As of December 31, 2024, the carrying value of the properties subject of the arrangement included in 'Other assets' amounted to ₱220.64 million representing undeveloped property.

Transactions with PMLFC and PMERC

The Parent Company entered into the following transactions with PMLFC and PMERC as part of their winding down procedures:

- On various dates in 2022 and 2023, PMLFC transferred to the Parent Company certain receivables either via direct purchase or assignment. Details are as follows:

Year of transfer	Underlying contract	Aggregate carrying values	Total consideration paid
2022	Direct Purchase	₱122,306	₱115,866
2023	Direct Purchase	51,235	51,612
	Receivables Purchase Agreement	287,040	278,998
	Deed of Assignment	210,734	185,572

- On various dates in 2023, the BOD of the Parent Company approved to accept certain properties of PMLFC and PMERC as settlement through dacion en pago to partially pay their respective outstanding loans to the Parent Company. Details are as follows:

Date of BOD approval	Borrower	Subject properties/ assets	Aggregate fair values	Dacion amount
April 28, 2023	PMLFC	Condominium units	₱100,258	₱100,258
April 28, 2023	PMERC	Equipment and other properties held for lease (EOPL)	261,407	245,984
December 15, 2023	PMLFC	Reposessed chattels	7,867	3,933

In 2023, rental income amounting to ₱54.6 million from the EOPL that were subject of the April 2023 dacion have accrued to the Parent Company after the dacion was implemented.

- Considering the transfer of the major assets of PMLFC and PMERC to the Parent Company and no other remaining leviable properties of PMLFC and PMERC to foreclose, on December 15, 2023, the BOD of the Parent Company approved to write off the remaining balance of the loans of PMLFC and PMERC amounting to ₱736.4 million and ₱242.4 million, respectively.



33.2 Remuneration of Key Management Personnel and Directors

The compensation of the key management personnel for the Group and Parent Company follows:

	2024	2023	2022
Short-term employee benefits	₱527,036	₱526,038	₱517,114
Post-employment benefits	60,916	53,041	47,424
	₱587,952	₱579,079	₱564,538

Non-executive directors are entitled to a per diem as follows: ₱50,000 for each BOD meeting attended and ₱25,000 for each BOD committee meeting attended, provided that in no case shall the total per diem exceed ₱0.25 million per month for committee meetings. No other emoluments are granted to non-executive directors of the Parent Company except for the aforementioned per diem. There is no profit-sharing arrangement between the Parent Company and its BOD. In 2024 and 2023, total per diem given to non-executive directors amounted to ₱96.3 million and ₱71.3 million, respectively, recorded in 'Miscellaneous expenses' in the statements of income. Directors' remuneration covers all BOD activities and membership of committees and subsidiary companies.

33.3 Transactions with Retirement Plans

Management of the retirement funds of the Group and the Parent Company is handled by TBG. The fair values and carrying values of the funds of the Group amounted to ₱9.3 billion and ₱8.6 billion as of December 31, 2024 and 2023, respectively, and the fair values of the funds of the Parent Company amounted to ₱9.2 billion and ₱8.5 billion as of December 31, 2024 and 2023, respectively.

Relevant information on transactions with the retirement plans follows:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Investment in PNB UITFs	₱946,347	₱559,461	₱944,562	₱556,626
Deposits with PNB	13,274	313,976	10,774	313,813
Investment in PNB shares	227,678	152,059	227,678	152,059
Investment in Mutual Fund PNB	1,782			
Total Fund Assets	₱1,189,081	₱1,025,496	₱1,183,014	₱1,022,498
Unrealized gain (loss) on PNB shares	₱75,618	(₱4,110)	₱75,618	(₱4,110)
Unrealized gain on PNB UITF	11,535	1,440	11,535	1,440
Interest income	12,860	27,584	11,345	26,063
	100,013	24,914	98,498	23,393
Trust fees	(10,220)	(9,496)	(10,066)	(9,350)
Net Fund Income	₱89,793	₱15,418	₱88,432	₱14,043

As of December 31, 2024 and 2023, the retirement funds of the Group and the Parent Company include 8,219,406 PNB shares, respectively, classified as financial assets at FVTPL. There are no limitations and restrictions over the PNB shares while the corresponding voting rights are exercised by a trust officer or any of its designated alternate officer of TBG.

In addition to the regular retirement funds, TBG also manages the funds of the Parent Company's EIP and fund for e-money products.



34. Provisions, Contingent Liabilities and Other Commitments

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities that are not presented in the financial statements including several suits and claims which remain unsettled. The Group and its legal counsel believe that any losses arising from these contingencies which are not specifically provided for will not have a material adverse effect on the financial statements.

There were no significant settlements made in 2024 and 2023.

In the ordinary course of the Group's operations, certain entities within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. Management believes that the bases of said protest/appeal are legally valid such that the ultimate resolution of these assessments/claims would not have material effects on the consolidated financial position and results of operations.

35. Offsetting of Financial Assets and Liabilities

The effects of rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements to the Group and the Parent Company's financial statements are disclosed in the succeeding tables.

Consolidated

2024						
Financial assets 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Derivative assets	₱87,097,900	₱86,010,793	₱1,087,107	₱104,745	₱-	₱982,362
Securities held under agreements to resell (Note 8)	103,480,119	-	103,480,119	-	104,909,516	-
Total	₱190,578,019	₱86,010,793	₱104,567,226	₱104,745	₱104,909,516	₱982,362
2023						
Financial assets 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Derivative assets	₱108,139,719	₱107,390,520	₱749,199	₱37,098	₱-	₱712,101
Securities held under agreements to resell (Note 8)	69,694,538	-	69,694,538	-	57,785,321	11,909,217
Total	₱177,834,257	₱107,390,520	₱70,443,737	₱37,098	₱57,785,321	₱12,621,318



2024						
Financial liabilities 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Derivative liabilities	P61,485,068	P60,561,015	P924,053	P350,702	P–	P573,351
Securities sold under agreements to repurchase (Notes 9 and 19)*	12,338,999	–	12,338,999	–	14,221,461	–
Total	P73,824,067	P60,561,015	P13,263,052	P350,702	P14,221,461	P573,351

* Included in bills and acceptances payable in the statements of financial position

2023						
Financial liabilities 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Derivative liabilities	₱65,163,569	₱64,607,758	₱555,811	₱196,010	₱–	₱359,801
Securities sold under agreements to repurchase (Notes 9 and 19)*	10,053,531	–	10,053,531	–	11,972,805	–
Total	₱75,217,100	₱64,607,758	₱10,609,342	₱196,010	₱11,972,805	₱359,801

* Included in bills and acceptances payable in the statements of financial position

Parent Company

2024						
Financial assets 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Derivative assets	₱87,097,088	₱86,010,793	₱1,086,295	₱102,386	₱–	₱983,909
Securities held under agreements to resell (Notes 8 and 19)	103,480,119	–	103,480,119	–	104,909,516	–
Total	₱190,577,207	₱86,010,793	₱104,566,414	₱102,386	104,909,516	₱983,909

2023						
Financial assets 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure [c-d]
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c]	[d]		[e]
Derivative assets	₱108,134,733	₱107,390,520	₱744,213	₱37,098	₱—	₱707,115
Securities held under agreements to resell (Notes 8 and 19)	69,694,538	—	69,694,538	—	57,785,321	11,909,217
Total	₱177,829,271	₱107,390,520	₱70,438,751	₱37,098	₱57,785,321	₱12,616,332



2024						
Financial liabilities 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Derivative liabilities	₱61,482,708	₱60,561,015	₱921,693	₱348,343	₱–	₱573,350
Securities sold under agreements to repurchase (Notes 9 and 19)*	12,338,999	–	12,338,999	–	14,221,461	–
Total	₱73,821,707	₱60,561,015	₱13,260,692	₱348,343	₱14,221,461	₱573,350

* Included in bills and acceptances payable in the statements of financial position

2023						
Financial liabilities 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]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Derivative liabilities	₱65,163,569	₱64,607,758	₱555,811	₱196,010	₱–	₱359,801
Securities sold under agreements to repurchase (Notes 9 and 19)*	10,053,531	–	10,053,531	–	11,972,805	–
Total	₱75,217,100	₱64,607,758	₱10,609,342	₱196,010	₱11,972,805	₱359,801

* Included in bills and acceptances payable in the statements of financial position

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. This includes amounts related to financial collateral both received and pledged, excluding the extent of over-collateralization.

36. Events After the Reporting Date

There are no significant reportable events which occurred from December 31, 2024 until the date of this report.

37. Notes to Statements of Cash Flows

37.1 Cash Flows from Financing Activities

The changes in liabilities arising from financing activities in 2024 and 2023 follow:

	Consolidated			
	2024			
	Beginning balance	Net cash flows	Others	Ending balance
Bills and acceptances payable	₱20,162,603	₱378,200	(₱332,352)	₱20,208,451
Bonds payable	41,490,871	(26,079,791)	1,893,341	17,304,421
Lease liabilities	3,832,884	(1,127,583)	1,103,696	3,808,997
	₱65,486,358	(₱26,829,174)	₱2,664,685	₱41,321,869



	Consolidated			
	2023			
	Beginning balance	Net cash flows	Others	Ending balance
Bills and acceptances payable	₱14,980,373	₱4,937,366	₱244,864	₱20,162,603
Bonds payable	58,439,097	(16,560,000)	(388,226)	41,490,871
Lease liabilities	3,636,391	(1,314,516)	1,511,009	3,832,884
	₱77,055,861	(₱12,937,150)	₱1,367,647	₱65,486,358

	Parent Company			
	2024			
	Beginning balance	Net cash flows	Others	Ending balance
Bills and acceptances payable	₱20,162,603	₱378,200	(₱332,352)	₱20,208,451
Bonds payable	41,490,871	(26,079,791)	1,893,341	17,304,421
Lease liabilities	3,723,316	(1,052,523)	1,051,926	3,722,719
	₱65,376,790	(₱26,754,114)	₱2,612,915	₱41,235,591

	Parent Company			
	2023			
	Beginning balance	Net cash flows	Others	Ending balance
Bills and acceptances payable	₱13,888,035	₱6,029,703	₱244,865	₱20,162,603
Bonds payable	58,439,097	(16,560,000)	(388,226)	41,490,871
Lease liabilities	3,604,077	(1,232,928)	1,352,167	3,723,316
	₱75,931,209	(₱11,763,225)	₱1,208,806	₱65,376,790

Others include the effects of foreign exchange revaluations, additional lease liabilities, amortization of transaction costs, and accretion of interest.

37.2 Non-Cash Transactions

The following are non-cash transactions of the Group and the Parent Company in 2024 and 2023 relating to their long-term leases:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Additions to right-of-use assets (Note 11)	₱950,548	₱1,425,032	₱936,169	₱1,292,130
Additional lease liabilities (Note 29)	956,755	1,340,509	907,278	1,185,129

On December 17, 2021, the BOD of PNB Capital approved the declaration of cash dividends amounting to ₱300.0 million. The Parent Company received such cash dividends from PNB Capital on June 29, 2022 (refer to Note 12.2).

The Group and the Parent Company acquired investment properties through foreclosure, dacion and rescission amounting to ₱2.3 billion, ₱3.0 billion, and ₱4.3 billion in 2024, 2023 and 2022, respectively (refer to Note 13). Included in the foreclosures in 2024 and 2023 are dacion transactions in settlement of certain loans in exchange for an investment property (refer to Note 33.1). Foreclosures in 2023 also include the debt-to-equity conversion of the remaining loan exposures of a former borrower (refer to Note 33.1).

The Group and the Parent Company applied creditable withholding taxes against its income tax payable amounting to ₱1.5 billion, ₱1.2 billion and ₱2.4 billion in 2024, 2023 and 2022, respectively.



38. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the Parent Company's BOD on February 25, 2025.

39. Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010, which provides that the notes to the financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

39.1 Taxes Paid or Accrued During the Taxable Year

The Parent Company paid or accrued the following types of taxes for the tax period January to December 2024 (in absolute amounts):

Taxes and licenses

	Amount
Gross receipts tax	₱2,705,491,144
Documentary stamp taxes	4,200,000,000
Real estate tax	38,153,906
Local taxes	211,094,722
Others	101,375,401
	<u>₱7,256,115,173</u>

Withholding taxes

	Remitted	Outstanding
Withholding taxes on compensation and benefits	₱963,287,855	₱177,975,255
Final income taxes withheld on interest on deposits and yield on deposit substitutes	2,672,422,915	233,287,067
Expanded withholding taxes	240,096,410	22,821,111
Withholding taxes on the amount withdrawn from the decedent's deposit account	21,808,620	2,114,025
VAT withholding taxes	46,206,773	3,454,043
Other final taxes	263,128,522	34,488,472
	<u>₱4,206,951,095</u>	<u>₱474,139,973</u>

39.2 Tax Cases and Assessments

As of December 31, 2024 and 2023, the Parent Company has no final tax assessment but has outstanding cases filed in courts for various claims for tax refund. Management is of the opinion that the ultimate outcome of these cases will not have a material impact on the financial statements of the Parent Company.



40. Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks

40.1 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	10.39%	9.95%	7.00%	10.49%	10.15%	7.10%
Return on average assets	1.72%	1.53%	0.99%	1.72%	1.54%	0.99%
Net interest margin on average earning assets	4.50%	4.23%	3.61%	4.50%	4.23%	3.62%

40.2 Description of Capital Instruments Issued

As of December 31, 2024 and 2023, the Parent Company has only one class of capital stock, which are common shares.

40.3 Significant Credit Exposures as to Industry Sector

An industry sector analysis of the Group's and the Parent Company's receivables from customers before taking into account allowance for credit losses is shown below.

	Consolidated				Parent Company			
	2024		2023		2024		2023	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Primary target industry:								
Wholesale and retail	₱118,612,698	17.86	₱122,887,990	19.15	₱112,781,724	17.34	₱116,820,739	18.60
Financial intermediaries	96,992,698	14.60	92,281,412	14.38	97,024,603	14.92	92,321,118	14.70
Electricity, gas and water	100,800,669	15.18	83,942,305	13.08	100,800,669	15.50	83,942,305	13.36
Manufacturing	68,291,738	10.28	63,947,942	9.96	66,250,095	10.19	61,863,476	9.85
Transport, storage and communication	35,413,742	5.33	46,249,754	7.21	34,979,930	5.38	45,835,091	7.30
Agriculture, hunting and forestry	8,960,007	1.35	8,187,717	1.28	8,801,474	1.35	8,032,017	1.28
Public administration and defense	1,739,998	0.26	4,101,202	0.64	1,739,998	0.27	4,101,202	0.65
Secondary target industry:								
Real estate, renting and business activities	109,274,926	16.45	110,728,706	17.25	106,134,407	16.32	107,586,053	17.13
Construction	46,132,885	6.95	38,833,938	6.05	46,132,885	7.09	38,775,374	6.17
Others	78,017,344	11.74	70,637,302	11.00	75,817,596	11.64	68,902,271	10.96
	₱664,236,705	100.00	₱641,798,268	100.00	₱650,463,381	100.00	₱628,179,646	100.00



40.4 Breakdown of Total Loans

40.4.1 As to Security

The information relating to receivables from customers (gross of allowance for credit losses) as to secured and unsecured and as to collateral follows:

	Consolidated				Parent Company			
	2024		2023		2024		2023	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Secured:								
Real estate mortgage	₱68,136,306	10.26	₱126,721,614	19.74	₱57,583,167	8.85	₱115,956,460	18.46
Chattel mortgage	6,919,452	1.04	15,319,855	2.39	6,824,061	1.05	15,104,719	2.40
Bank deposit hold-out	3,855,505	0.58	7,439,901	1.16	3,686,444	0.57	7,195,384	1.15
Others	17,558,212	2.64	1,551,354	0.24	16,404,021	2.52	191,774	0.03
	96,469,475	14.52	151,032,724	23.53	84,497,693	12.99	138,448,337	22.04
Unsecured	567,767,230	85.48	490,765,544	76.47	565,965,689	87.01	489,731,309	77.96
	₱664,236,705	100.00	₱641,798,268	100.00	₱650,463,382	100.00	₱628,179,646	100.00

40.4.2 As to Status

The table below shows the status of the Group and the Parent Company's loans (gross allowance for credit losses) as to performing and non-performing loans (NPL) per product line:

	Consolidated			
	2024		2023	
	Performing	NPL	Performing	NPL
Corporate	₱564,341,348	₱34,714,958	₱541,116,157	₱33,347,894
Commercial	12,490,418	1,547,719	14,804,205	2,493,093
Credit cards	17,060,935	1,002,950	14,394,103	838,742
Consumer	25,364,872	7,700,175	24,647,541	10,156,533
	₱619,257,573	₱44,965,802	₱594,962,006	₱46,836,262

	Parent Company			
	2024		2023	
	Performing	NPL	Performing	NPL
Corporate	₱552,110,058	₱34,156,343	₱528,492,120	₱33,228,430
Commercial	12,291,386	1,547,719	15,315,245	1,883,944
Credit cards	17,060,935	1,002,950	14,394,103	838,742
Consumer	24,633,945	7,646,716	23,923,855	10,103,207
	₱606,096,324	₱44,353,728	₱582,125,323	₱46,054,323

Loans and receivables are considered NPL, even without any missed contractual payments, when 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, are considered NPL if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement. Microfinance and other small loans with similar credit characteristics are considered NPL after contractual due date or after they have become past due. Restructured loans are considered NPL. However, if prior to restructuring, the loans were categorized as performing, such classification is retained.

NPLs remain classified as such until (a) there is sufficient evidence to support that full collection of principal and interests is probable and payments of interest and/or principal are received for at least six (6) months; or (b) written-off.



In 2022, the Parent Company adopted BSP Memorandum No. M-2021-056, *Regulatory Treatment of Restructured Loans for Purposes of Measuring Expected Credit Losses*, which provides guidance on the regulatory treatment of loans with terms and conditions that have been modified due to the impact of the COVID-19 pandemic, especially consumption loans, for purposes of measuring ECL and classifying the accounts as NPL.

The table below shows the gross and net NPL ratios of the Group and the Parent Company as reported to the BSP (with certain adjustments) as of December 31, 2024 and 2023:

	2024		2023	
	Gross NPL	Net NPL	Gross NPL	Net NPL
Consolidated	5.68%	1.81%	6.26%	2.46%
Parent Company	5.72%	1.77%	6.29%	2.49%

40.5 Information on Related Party Loans

In the ordinary course of business, the Parent Company has loans and other transactions with its subsidiaries and affiliates, and with certain Directors, Officers, Stockholders and Related Interests (DOSRI). These loans and other transactions are made substantially on the same terms as with other individuals and businesses of comparable risks. The amount of direct credit accommodations to each of the Parent Company's DOSRI, 70.00% of which must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Parent Company.

In the aggregate, DOSRI loans generally should not exceed the Parent Company's equity or 15.00% of the its total loan portfolio, whichever is lower. Total outstanding exposures to each of the Parent Company's subsidiaries and affiliates shall not exceed 10.00% of the Group's net worth, the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding exposures to subsidiaries and affiliates shall not exceed 20.00% of the net worth of the Parent Company. As of December 31, 2024 and 2023, the Parent Company is in compliance with such regulations.

The information relating to the DOSRI loans of the Parent Company follows:

	2024		2023	
	DOSRI loans	Related party loans (inclusive of DOSRI loans)	DOSRI loans	Related party loans (inclusive of DOSRI loans)
Total outstanding loans	₱136,867	₱37,817,926	₱2,701	₱36,185,463
Percent of DOSRI/related party loans to total loan portfolio	0.02%	4.87%	0.00%	4.95%
Percent of unsecured DOSRI/related party loans to total DOSRI/related party loans	0.00%	85.25%	0.00%	83.48%
Percent of past due DOSRI/related party loans to total DOSRI/related party loans	0.00%	0.00%	45.40%	0.31%
Percent of non-performing DOSRI/related party loans to total DOSRI/related party loans	0.04%	0.00%	43.08%	0.31%

40.6 Aggregate Amount of Secured Liabilities and Assets Pledged as Security

As of December 31, 2024 and 2023, 'Bills payable' amounting to ₱12.3 billion and ₱10.1 billion in Note 19, respectively, are secured by a pledge of certain 'Financial assets at FVOCI' amounting to ₱12.0 billion and ₱6.5 billion respectively, and 'Investment securities at amortized cost' amounting to ₱5.5 billion.



40.7 Contingencies and Commitments Arising from Off-Balance Sheet Items

The following is a summary of various commitments, contingent assets and contingent liabilities at their equivalent peso contractual amounts as reported to BSP:

	Consolidated		Parent Company	
	2024	2023	2024	2023
Derivative forwards	₱132,737,169	₱195,661,001	₱126,839,248	₱190,805,863
Trust department accounts	190,585,195	168,037,276	190,585,195	168,037,276
Standby letters of credit	77,763,321	65,344,786	77,493,348	65,255,715
Unutilized credit card lines	51,886,113	45,354,961	51,886,113	45,354,961
Deficiency claims receivable	27,250,819	23,953,740	27,250,819	23,953,740
Derivative spots	22,847,762	21,141,791	22,847,762	21,141,791
Unused commercial letters of credit	353,457	440,767	353,457	440,767
Inward bills for collection	1,019,948	434,566	996,613	431,741
Outward bills for collection	210,031	236,311	89,460	118,836
Confirmed export letters of credit	100,940	93,852	100,940	93,852
Items held as collateral	23,101	58,887	23,092	58,876
Shipping guarantees issued	21,284	23,101	21,284	20,975
Other contingent accounts	38,677	7,182	2,663	7,181



PHILIPPINE NATIONAL BANK
LIST OF BANK OWNED PROPERTIES
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Exhibit II (a)

BRANCH NAME	ADDRESSES
Metro Manila	
CALOOCAN-RIZAL AVE. EXT.	1716 Rizal Ave. Ext. cor. L. Bustamante St., Brgy 86, Caloocan City, Metro Manila
CALOOCAN-SANGANDAAN	Gen. San Miguel St., Brgy. 4, Zone 1, Sangandaan, Dist. II, Caloocan City, Metro Manila
MALABON-RIZAL AVE.	701, Rizal Avenue Ext., corner Magsaysay St., San Agustin, Malabon City , Metro Manila
NAVOTAS-M. NAVAL	865 M. Naval St., Sipac Almacen, Navotas City, Metro Manila
VALENZUELA-KARUHATAN	313 San Vicente St. cor. MacArthur Highway, Karuhatan, Valenzuela City, Metro Manila
VALENZUELA-MACARTHUR	101 Mc Arthur Highway, Marulas, Valenzuela City , Metro Manila
Q.C.-WEST TRIANGLE	1396 Quezon Ave., South Triangle, Quezon City, Metro Manila
Q.C.-CUBAO MAIN	Aurora Blvd., corner Gen. Araneta St., Cubao, Quezon City, Metro Manila
Q.C.-ELLIPTICAL ROAD	Elliptical Road cor. Kalayaan Avenue, Diliman, Quezon City, Metro Manila
Q.C.-P. TUAZON	279 P. Tuazon Blvd., Cubao, Quezon City, Metro Manila
Q.C.-NOVALICHES-GULOD	903 Quirino Hi-way cor. Sarmiento St., Novaliches, Quezon City, Metro Manila
MANDALUYONG-CENTERA-RELIANCE	G/F, Unit 1C-03, Avida Towers Centera, EDSA corner Reliance St., Brgy. Highway Hills, Mandaluyong City, Metro Manila
MANDALUYONG-HIGHWAY HILLS	471 Shaw Blvd, Highway Hills, Mandaluyong City, Metro Manila
PASIG-JULIA VARGAS	Lot 5, Block 13-A, Julia Vargas & Jade Drive, Brgy. San Antonio, Ortigas Center, Pasig City, Metro Manila
PASIG-ORTIGAS CENTER	G/F, JMT Bldg., ADB Avenue, Ortigas Center, Pasig City , Metro Manila
PASIG-SHAW	Jade Center Condominium, 105 Shaw Blvd., Oranbo, Pasig City, Metro Manila
Q.C.-KAMUNING	118 Kamuning Road, Kamuning, Quezon City, Metro Manila
Q.C.-NEW MANILA	322 E. Rodriguez Sr. Blvd., New Manila, Quezon City, Metro Manila
Q.C.-WEST AVENUE	92 West Ave., Philam, Quezon City, Metro Manila
CAINTA-FELIX AVE.-SAN ISIDRO	F. P. Felix Avenue, Brgy. San Isidro, Cainta, Rizal
MARIKINA-A. TUAZON	45, Gil Fernando Ave. cor. Chestnut St., San Roque, Marikina City, Metro Manila
RIZAL-ANGONO	Quezon Ave., E. dela Paz St., Brgy. San Pedro, Angono, Rizal
BINONDO-PLAZA DEL CONDE	San Fernando Towers, Plaza del Conde, Binondo, Manila City, Metro Manila
DIVISORIA-STO. CRISTO	767, Sto. Cristo corner M. delos Santos Streets, Divisoria, Manila City, Metro Manila
MANILA-ARRANQUE	Citiriser Building, 1427 Soler St., Brgy 305, Sta Cruz, Manila City, Metro Manila
MANILA-DAPITAN	1710, Dapitan St. near cor. M. dela Fuente St., Sampaloc, Manila City, Metro Manila
MANILA-EARNSHAW	1357 Earnshaw corner Jhocson Sts., Sampaloc, Manila City, Metro Manila
MANILA-J. ABAD SANTOS-BAMBANG	Unit B, Dynasty Towers, J. Abad Santos corner Bambang Sts., Brgy 246, Tondo, Manila City, Metro Manila
MANILA-RIZAL AVE.-HERRERA	Rizal Avenue cor. Saturnino Herrera St., Brgy 353, Sta Cruz, Manila City, Metro Manila
MANILA-PACO-PEDRO GIL	756 Pedro Gil cor. Pasaje-Rosario Sts., Paco, Manila City, Metro Manila
MAKATI-AYALA RUFINO	Unit 1-B, G/F, Rufino Tower, Ayala Avenue cor. Rufino St., Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-BENAVIDEZ	Unit G-1D, Ground Floor , BSA Mansion, #108 Benavidez St., Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-C. PALANCA	G/F Unit G1 and G2, BSA Suites, 103 C. Palanca St., Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-SAN LORENZO	Ground Floor, Jackson Bldg., 926 A. Arnaiz Avenue, Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-AYALA AVE.	Ground Floor, VGP Center, 6772 Ayala Avenue, Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-LEGASPI SOTTO	VMC Bldg., Legaspi and Sotto Sts., Brgy San Lorenzo, Makati City, Metro Manila
MAKATI-BUENDIA-DIAN	56 Gil Puyat Ave., Buendia, Makati City, Metro Manila
PASAY-BACLARAN	2976 Mexico Avenue, Mexico Ave, Bacclaran, Pasay City, Metro Manila
MAKATI-BUENDIA-PETRON MEGA PLAZA	G/F, Petron Mega Plaza Building, 358 Sen. Gil Puyat Avenue, Brgy Bel-Air, Makati City, Metro Manila
MAKATI-POBLACION	Corner Angono & Cardona Sts 1210 JP Rizal, Brgy Poblacion, Makati City, Metro Manila
PARAÑAQUE-BETTER LIVING	ABC Bldg., Doña Soledad Ave., Better Living Subd., Don Bosco, Parañaque City, Metro Manila
LAS PIÑAS-CITY HALL	#19 Alabang Zapote Road , Pamplona II, Las Piñas City, Metro Manila

PHILIPPINE NATIONAL BANK
LIST OF BANK OWNED PROPERTIES
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Exhibit II (a)

BRANCH NAME	ADDRESSES
Northern Luzon	
BATANES-BASCO	NHA Bldg., Caspo Fiesta Road, KAYCHANARIANAN, Basco, Batanes
CAGAYAN-APARRI	J.P. Rizal St., CENTRO 8, Aparri, Cagayan
CAGAYAN-TUGUEGARAO-BONIFACIO	Bonifacio St., CENTRO 1, Tuguegarao City, Cagayan
ISABELA-CAUAYAN	Maharlika Highway corner Cabatuan Rd., SAN FERMIN, Cauayan City, Isabela
ISABELA-ILAGAN	Old Capitol Site, CALAMAGUI 2 , Ilagan City, Isabela
ISABELA-ROXAS	Cor. Don Mariano Marcos Ave. & Bernabe St., VIRA, Roxas, Isabela
ISABELA-SANTIAGO-MAHARLIKA	Marcos Highway cor. Camacam St., CENTRO EAST , Santiago City, Isabela
ABRA-BANGUED	Mckinley corner Peñarrubia Sts., ZONE 4, Bangued, Abra
ABRA-BANGUED-MAGALLANES	Taft cor. Magallanes Sts., ZONE 5, Bangued, Abra
BAGUIO CITY-SESSION ROAD	No. 51 Session Road corner Upper Mabini St., KABAYANIHAN , Baguio City, Benguet
CANDON CITY-NATL. HI-WAY	National Hi-way, Brgy. San Juan, Candon City, Ilocos Sur
CANDON CITY-SAN ANTONIO	National Highway corner Dario St., SAN ANTONIO, Candon City, Ilocos Sur
ILOCOS NORTE-BATAC	Corner San Marcelino & Concepcion Sts., BARANGAY 1, Batac, Ilocos Norte
LAOAG CITY-J.P. RIZAL	Trece Martires St. corner J.P. Rizal St., Brgy. 10, Laoag City, Ilocos Norte
VIGAN CITY-FLORENTINO	Leona Florentino St., BARANGAY 1, Vigan City, Ilocos Sur
BULACAN-BALIUAG	015 Rizal St., SAN JOSE, Baliuag, Bulacan
MALOLOS CITY-STO. NIÑO	STO. NIÑO, Malolos City, Bulacan
ANGELES-STO. ROSARIO	730 Sto. Rosario St., STO. ROSARIO, Angeles City, Pampanga
PAMPANGA-MABALACAT-DAU	Mc Arthur Highway, Dau, Mabalacat City, Pampanga
SAN FERNANDO CITY-A. CONSUNJI	A. Consunji St., STO. ROSARIO, San Fernando City, Pampanga
TARLAC-CONCEPCION	A. Dizon St., SAN NICOLAS POBLACION, Concepcion, Tarlac
ALAMINOS CITY-QUEZON AVE.	Quezon Avenue, POBLACION, Alaminos City, Pangasinan
BATAAN-BALANGA	Zulueta St., POBLACION, Balanga, Bataan
OLONGAPO CITY-RIZAL AVE.	2440 Rizal Ave., East Bajac Bajac , Olongapo City, Zambales
PAMPANGA-GUAGUA	G/F, PNB Guagua Bldg., Brgy. Sto. Cristo, Guagua, Pampanga
ZAMBALES-IBA-R. MAGSAYSAY AVE.	1032 R. Magsaysay Ave, Zone 1 Poblacion Libaba , Iba, Zambales
AGOO-CONSOLACION	Verceles St., CONSOLACION , Agoo, La Union
DAGUPAN CITY-A.B. FERNANDEZ	A.B. Fernandez Avenue, BARANGAY 1, Dagupan City, Pangasinan
LA UNION-SAN FERNANDO PLAZA	Quezon Avenue, BARANGAY 4 QUEZON AVE , City of San Fernando, La Union
LA UNION-SAN FERNANDO-QUEZON AVE.	612 Quezon Ave., BARANGAY 2 QUEZON AVE , City of San Fernando, La Union
PANGASINAN-LINGAYEN	Avenida Rizal East corner Maramba Blvd., POBLACION, Lingayen, Pangasinan
PANGASINAN-ROSALES	Mc Arthur Highway, CARMEN EAST, Rosales, Pangasinan
PANGASINAN-TAYUG	Zaragoza Street, POBLACION, Tayug, Pangasinan
URDANETA CITY-NANCAYASAN	Mc Arthur Highway, NANCAYASAN, Urdaneta City, Pangasinan
CABANATUAN-CENTRAL MARKET	Corner Paco Roman and Del Pilar Sts., CITY SUPERMARKET, Cabanatuan City, Nueva Ecija
NUEVA ECIJA-GAPAN-SAN VICENTE	Tinio Street, SAN VICENTE, Gapan City, Nueva Ecija
NUEVA ECIJA-MUÑOZ	Corner D. Delos Santos & Tobias Sts., POBLACION EAST, Science City of Muñoz, Nueva Ecija
NUEVA ECIJA-SAN JOSE	Maharlika Highway corner Cardenas St., RAFAEL RUEDA SR, San Jose City, Nueva Ecija
NUEVA VIZCAYA-BAYOMBONG	JP Rizal St., DISTRICT 4 , Bayombong, Nueva Vizcaya
NUEVA VIZCAYA-SOLANO	Maharlika National Highway, POBLACION SOUTH, Solano, Nueva Vizcaya
TARLAC CITY-F. TAÑEDO	F. Tañedo St., SAN NICOLAS, Tarlac City, Tarlac
TARLAC-PANIQUE	M.H. Del Pilar St. cor. Mc Arthur Hi-way, ESTACION, Paniqui, Tarlac

PHILIPPINE NATIONAL BANK
LIST OF BANK OWNED PROPERTIES
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Exhibit II (a)

BRANCH NAME	ADDRESSES
Southern Luzon	
BATANGAS-BALAYAN	147 Plaza Mabini, Barangay 4, Balayan, Batangas
BATANGAS-BAUAN	SAN JOSE STREET, POBLACION IV, BAUAN, Batangas
LIPA CITY-B. MORADA	B. Morada Ave., Barangay 1, Lipa City, Batangas
BACOR CITY-AGUINALDO HI-WAY	KM 17 Aguinaldo Highway, Habay 2, Bacoor City, Cavite
CAVITE CITY-CARIDAD	P. Burgos Avenue, Caridad, Cavite City, Cavite
CAVITE-KAWIT-BINAKAYAN	Allied Bank Bldg., Gen. Tirona Highway, Balsahan, Binakayan, Kawit, Cavite
CAVITE-SILANG	166, J.P. Rizal St., Poblacion 1, Silang, Cavite
TAGAYTAY-AGUINALDO	E. Aguinaldo Hi-way, Kaybagal South, Tagaytay City, Cavite
LAGUNA-CALAMBA-POBLACION	Burgos St., Brgy. V, Calamba City, Laguna
LAGUNA-SAN PABLO CITY	M. Paulino St., Brgy. Iiia, San Pablo City, Laguna
LAGUNA-SAN PEDRO	Km. 30 National Hi-way, Brgy. Nueva, SAN PEDRO CITY, Laguna
LAGUNA-STA. CRUZ-P. GUEVARRA	Pedro Guevarra Avenue, Brgy. Uno, Sta. Cruz, Laguna
CAMARINES NORTE-DAET-CARLOS II	Carlos II St., Brgy. 3, Daet, Camarines Norte
LUCENA CITY-QUEZON AVE.	Quezon Avenue, Brgy. IX, Lucena City, Quezon
QUEZON-CANDELARIA	Rizal St., National Highway, Barangay Poblacion, Candelaria, Quezon
QUEZON-LOPEZ	San Francisco St. , Barangay Talolong, Lopez, Quezon
ALBAY-DARAGA	Baylon Compound, Market Site, Rizal St., Market Area Pob (Dist 1), Daraga, Albay
ALBAY-TABACO	Ziga Avenue cor. Bonifacio St., Tayhi, Tabaco City, Albay
IRIGA CITY-SAN ROQUE	Highway 1, San Roque, Iriga City, Camarines Sur
LEGAZPI CITY-DON B. ERQUIAGA	Corner Don B. Erquiaga and Rizal Sts., Brgy. Baybay, Legazpi City, Albay
MASBATE CITY	Quezon St, Brgy. Pating, Masbate City, Masbate
NAGA CITY-GEN. LUNA	Gen. Luna St., Brgy. Abella, Naga City, Camarines Sur
SORSOGON CITY-RIZAL	Rizal St. , Burabod, Sorsogon City, Sorsogon
OCC. MINDORO-MAMBURAO	National Road, Brgy. Payompon, Mamburao, Occidental Mindoro
OCC. MINDORO-SAN JOSE	Quirino corner M.H. del Pilar Sts., Barangay 6, San Jose, Occidental Mindoro
OR. MINDORO-BONGABONG	CARAIG STREET, Poblacion, BONGABONG, Oriental Mindoro
OR. MINDORO-CALAPAN	J.P. Rizal St. , Camilmil, Calapan City, Oriental Mindoro
OR. MINDORO-PINAMALAYAN-MALVAR	MALVAR STREET, Zone II, PINAMALAYAN, Oriental Mindoro
OR. MINDORO-ROXAS	ADMINISTRATION STREET, Bagumbayan, ROXAS, Oriental Mindoro
OR. MINDORO-VICTORIA	M. ROLDAN CORNER P. APOSTOL STS., Poblacion 1, VICTORIA, Oriental Mindoro
ROMBLON-ODIONGAN	#15 J.P. Laurel St., cor M. Formilliza St., Ligaya, Odiongan, Romblon

PHILIPPINE NATIONAL BANK
LIST OF BANK OWNED PROPERTIES
As of December 31, 2024

Exhibit II (a)

BRANCH NAME	ADDRESSES
Visayas	
PALAWAN-PUERTO PRINCESA-VALENCIA	Valencia St., cor Rizal Avenue, Brgy. Tagumpay, Puerto Princesa City, Palawan
CEBU-M.C. BRIONES	Corner M.C. Briones and Jakosalem Sts., Santo Niño Central, Cebu City, Cebu
CEBU-JAKOSALEM	D. Jakosalem cor. Legaspi Sts., Santo Niño Central, Cebu City, Cebu
CEBU-DANAO	Beatriz VIII & Juan Luna St., Looc Poblacion, Danao City, Cebu
CEBU-LAPU-LAPU-PAJO	Manuel L. Quezon National Highway, Pajo, Lapu-Lapu City, Cebu
TAGBILARAN-C.P. GARCIA AVE.	C. P. Garcia Ave. cor. J. A. Clarin St., Poblacion 3, Tagbilaran City, Bohol
CEBU-TOLEDO	Rafols St., Poblacion, Toledo City, Cebu
BOHOL-TUBIGON	Corner Cabangbang Ave. & Jesus Vaño St., Centro, Tubigon, Bohol
NEGROS OR.-BAYAWAN	National Highway cor Mabini St., Brgy. Suba, Bayawan City, Negros Oriental
DUMAGUETE CITY-SILLIMAN AVE.	Siliman Avenue cor Real St., Poblacion 7, Dumaguete City, Negros Oriental
DUMAGUETE CITY-LOCSIN	33 Dr. V. Locsin St., Poblacion 4, Dumaguete City, Negros Oriental
SIQUIJOR-LARENA	Roxas St., South Poblacion, Larena, Siquijor
NEGROS OR.-TANJAY	Magallanes cor. E. Romero Sts., Barangay 5, Tanjay City, Negros Oriental
BACOLOD-ARANETA	Araneta Ave. near cor. Luzuriaga St., Brgy. 12, Bacolod City, Negros Occidental
NEGROS OCC.-CADIZ CITY	Corner Luna and Cabahug Sts. , Brgy. 4, Cadiz City, Negros Occidental
BACOLOD-LUZURIAGA	Corner Luzuriaga and Araneta Sts., Brgy. 12, Bacolod City, Negros Occidental
NEGROS OCC.-SILAY CITY	Rizal Street, Brgy. 2, Silay City, Negros Occidental
NEGROS OCC.-VICTORIAS CITY	Corner Ascalon and Montinola Sts., Brgy. 4, Victorias City, Negros Occidental
NEGROS OCC.-BINALBAGAN	Don Pedro R. Yulo St. , Barangay San Pedro, Binalbagan, Negros Occidental
NEGROS OCC.-KABANKALAN CITY	NOAC National Highway cor. Guanzon St., Barangay 2, Kabankalan City, Negros Occidental
NEGROS OCC.-SAN CARLOS CITY	V. Gustilo St. , Barangay 4, San Carlos City, Negros Occidental
ANTIQUE-T.A. FORNIER	T. Fournier St., Brgy. 2, San Jose de Buenavista, Antique
ILOILO-IZNART	Montinola Road, Iznart, Brgy. President , Iloilo City, Iloilo
ILOILO-LEDESMA	Ledesma cor. Quezon Sts., Brgy. Ed Ganzon, Iloilo City, Iloilo
ILOILO-PLAZA LIBERTAD	JM Basa Street, Brgy. Ortiz, Iloilo City, Iloilo
BORACAY-STATION 2	Boracay Island, Bgy. Balabag, Malay, Aklan
AKLAN-KALIBO-PASTRANA	0508 G. Pastrana St., Poblacion , Kalibo, Aklan
ILOILO-PASSI CITY	5037 F. Palmares St., Poblacion Ilawod, Passi City, Iloilo
ILOILO-POTOTAN	Guanco St., San Jose Ward, Pototan, Iloilo
CAPIZ-ROXAS-C.M. RECTO	Corner C.M. Recto & G. Del Pilar Sts., Brgy. III, Roxas City, Capiz
CAPIZ-ROXAS DOWNTOWN	Roxas Ave., Brgy VIII, Roxas City, Capiz
LEYTE-BAYBAY CITY	148 R. Magsaysay Ave., Zone 15, Baybay City, Leyte
EASTERN SAMAR-BORONGAN CITY	Real St., Brgy. Songco, Borongan City, Eastern Samar
SAMAR-CALBAYOG CITY	Maharlika Highway, Brgy. Obrero, Calbayog City, Samar
NORTHERN SAMAR-CATARMAN	Corner Jacinto & Carlos P. Garcia Sts., Brgy. Narra, Catarman, Northern Samar
SAMAR-CATBALOGAN CITY	Del Rosario St., Allen Avenue, Brgy. 3, Catbalogan City, Samar
SOUTHERN LEYTE-MAASIN CITY	Corner Allen & Juan Luna St., Brgy. Tunga-tunga, Maasin City, Southern Leyte
BILIRAN-NAVAL	Ballesteros St., Brgy. Santissimo Rosario (SMO), Naval, Biliran
LEYTE-ORMOC CITY-BONIFACIO	Corner Cata-ag & Bonifacio Sts., Brgy. District 8, Ormoc City, Leyte
TACLOBAN CITY-JUSTICE ROMUALDEZ	J. Romualdez St., Brgy. 6, Tacloban City, Leyte
TACLOBAN CITY-ZAMORA	Zamora St., Brgy. 15, Tacloban City, Leyte

PHILIPPINE NATIONAL BANK
LIST OF BANK OWNED PROPERTIES
As of December 31, 2024

Exhibit II (a)

BRANCH NAME	ADDRESSES
Mindanao	
DAVAO-C.M. RECTO	G/F, PNB Building, CM Recto St., Brgy. 34-D Poblacion, Davao City, Davao del Sur
DAVAO-SAN PEDRO	San Pedro St., San Pedro Poblacion, Davao City, Davao del Sur
DAVAO-SAN PEDRO-C.M. RECTO	San Pedro St. cor. C.M. Recto St., 38-D, Davao City, Davao del Sur
COTABATO CITY-DOROTHEO	Alejandro Dorotheo St. cor. Corcuera St., Poblacion 6, Cotabato City, Maguindanao
COTABATO CITY-MAKAKUA	39 Makakua St., Poblacion 5, Cotabato City, Maguindanao
COTABATO CITY-S.K. PENDATUN	S.K. Pendatun Ave., Poblacion 5, Cotabato City, Maguindanao
DAVAO DEL SUR-DIGOS	Quezon Avenue, Zone 1, Digos City, Davao del Sur
GENERAL SANTOS-CITY HALL DRIVE	City Hall Drive, Osmeña Street, Brgy. Dadiangas East, General Santos City, South Cotabato
KORONADAL CITY-MORROW	Morrow St., Brgy Zone II, Koronadal City, South Cotabato
KORONADAL CITY-POBLACION	Gen. Santos Drive Zone, Brgy Zone I, Koronadal City, South Cotabato
NORTH COTABATO-KIDAPAWAN	Quezon Blvd., Poblacion, Kidapawan City, Cotabato
NORTH COTABATO-MIDSAYAP	Quezon Avenue, Poblacion 6, Midsayap, North Cotabato
SULTAN KUDARAT-TACURONG	Alunan Drive, Poblacion, Tacurong, Sultan Kudarat
AGUSAN DEL SUR-SAN FRANCISCO	Roxas St. , Brgy. 4, San Francisco, Agusan del Sur
BUTUAN CITY-MONTILLA	Montilla Blvd. , Brgy. Dagohoy, Butuan City, Agusan del Norte
DAVAO DEL NORTE-TAGUM-RIZAL	G/F, Rizal Street, Magugpo, Poblacion, Tagum City, Davao del Norte
DAVAO ORIENTAL-MATI	G/F, Rizal Extension, Brgy. Central, Mati, Davao Oriental
SURIGAO CITY-RIZAL	45 Rizal St., Brgy. Washington, Surigao City, Surigao del Norte
SURIGAO DEL SUR-BISLIG CITY	Cor. Abarca & Espiritu Sts., Mangagoy, Bislig, Surigao del Sur
SURIGAO DEL SUR-TANDAG CITY	Napo National Highway, Bag-ong Lungsod, Tandag City, Surigao del Sur
CAMIGUIN-MAMBAJAO	Corner Gen. Aranas & Burgos Sts., Brgy. Poblacion, Mambajao, Camiguin
CDO-COGON	JP Borja cor. V. Rosa Sts., Barangay 33, Cagayan De Oro City, Misamis Oriental
CDO-CORRALES-CHAVES	Corrales Ave. cor. T. Chavez St., Barangay 3, Cagayan De Oro City, Misamis Oriental
CDO-LIMKETKAI DRIVE	Limketkai Center, Lapasan, Cagayan De Oro City, Misamis Oriental
CDO-TIANO	Tiano Brothers cor. Cruz Taal Sts., Barangay 8, Cagayan De Oro City, Misamis Oriental
MISAMIS ORIENTAL-GINGOOG CITY	National Highway, Brgy. 23, Gingoog City, Misamis Oriental
DIPOLOG CITY-GEN. LUNA	Gen. Luna St. cor. C.P. Garcia St., Central Barangay, Dipolog City, Zamboanga del Norte
ILIGAN CITY-AGUINALDO	Corner Gen. Aguinaldo & Labao Sts., Poblacion, Iligan City, Lanao del Norte
LANAO DEL NORTE-MARANDING	Maranding, Lala, Lanao del Norte
MISAMIS OCC.-OROQUIETA CITY	Sen. Jose Ozamis St., Lower Lamac, Oroquieta City, Misamis Occidental
OZAMIS CITY-RIZAL AVE.	Rizal Ave., Aguada, Ozamis City, Misamis Occidental
PAGADIAN CITY-PAJARES	F. S. Pajares cor. Cabrera Sts., San Francisco District, Pagadian City, Zamboanga del Sur
PAGADIAN CITY-RIZAL AVE.	Rizal Ave., Balangasan District, Pagadian City, Zamboanga del Sur
ZAMBOANGA DEL SUR-MOLAVE	Mabini St., Madasigon Barangay, Molave, Zamboanga Del Sur
ZAMBOANGA SIBUGAY-BUUG	National Highway, Poblacion, Buug, Zamboanga Sibugay
BASILAN-ISABELA-ROXAS	Roxas Ave., Isabela Proper, Isabela, Basilan
JOLO-AROLAS	Gen. Arolas corner Magno St., Walled City, Jolo, Sulu
TAWI-TAWI-BONGAO	Datu-Halun St., Barangay Poblacion, Bongao, Tawi-Tawi
ZAMBOANGA SIBUGAY-IPIL	National Highway, Poblacion, Ipil, Zamboanga Sibugay
ZAMBOANGA-J.S. ALANO	J.S. Alano St., Barangay Zone IV, Zamboanga City, Zamboanga Del Sur
ZAMBOANGA-SUCABON	Mayor MS Jaldon St., Barangay Zone II, Zamboanga City, Zamboanga Del Sur

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
Metro Manila			
CALOOCAN-A. MABINI	404 Grand Aster Place Bldg., A. Mabini St., Brgy. 15, Caloocan City, Metro Manila	120,473	November 11, 2028
CALOOCAN-GRACE PARK-10TH AVE.	354 A-C 10th Ave., Brgy 107, Caloocan City, Metro Manila	95,721	May 13, 2029
CALOOCAN-GRACE PARK-3RD AVE.	126 Rizal Ave. Between 2nd & 3rd Ave., Brgy 120, Caloocan City, Metro Manila	109,396	October 31, 2026
CALOOCAN-GRACE PARK-7TH AVE.	322 Rizal Ave. Ext. near cor. 7th Avenue, Brgy 110, Caloocan City, Metro Manila	78,400	July 31, 2027
CALOOCAN-MONUMENTO	D & I Bldg., 419 EDSA, Brgy 86, Caloocan City, Metro Manila	155,621	June 30, 2027
MALABON-GOV. PASCUAL	157 Gov. Pascual Avenue, Acacia, Malabon City, Metro Manila	51,973	June 15, 2028
MALABON-POTRERO	A & S Building, 189 McArthur Highway, Potrero, Malabon City, Metro Manila	90,411	February 11, 2025
VALENZUELA-GEN. T. DE LEON	4024 General T. de Leon Street, Brgy. Gen. T. de Leon, Valenzuela City, Metro Manila	82,738	July 31, 2026
VALENZUELA-MACARTHUR-MARULAS	GF Cabiltes Building, 182 Mc Arthur Highway, Marulas, Valenzuela City, Metro Manila	80,000	August 12, 2025
VALENZUELA-MALINTA	Moiria's Building, 407 Mc Arthur Highway, Malinta, Valenzuela City, Metro Manila	102,860	August 31, 2025
VALENZUELA-PASO DE BLAS	179 Paso de Blas, Paso De Blas, Valenzuela City, Metro Manila	133,100	May 31, 2029
CALOOCAN-EDSA BALINTAWAK	337 - 339 EDSA corner Don Vicente Ang St., Brgy 337, , Caloocan City, Metro Manila	116,160	June 10, 2029
CALOOCAN-SAMSON ROAD	149 Samson Road corner P. Bonifacio St., Brgy 77, Caloocan City, Metro Manila	98,547	January 31, 2029
Q.C.-A. BONIFACIO	789, A. Bonifacio, Brgy. Pag-ibig sa Nayon, Quezon City, Metro Manila	107,520	May 14, 2029
Q.C.-BANAWE-N. ROXAS	395, Prosperity Bldg., Banawe cor. N. Roxas Street, Lourdes, Quezon City, Metro Manila	230,000	December 31, 2024
Q.C.-DEL MONTE	116 Del Monte Ave., Brgy. Maharlika, Quezon City, Metro Manila	115,474	July 31, 2026
Q.C.-DEL MONTE-FRISCO	972 Del Monte Ave. corner San Pedro St., Damayan, Quezon City, Metro Manila	105,533	December 24, 2027
Q.C.-E. RODRIGUEZ-G. ARANETA	599 B.G. Araneta Ave. cor. E. Rodriguez Ave., Doña Imelda, Quezon City, Metro Manila	50,030	August 31, 2027
Q.C.-EDSA-ROOSEVELT	Global Trade Center Bldg., 1024 EDSA, Bago Bantay, Quezon City, Metro Manila	273,260	January 05, 2029
Q.C.-EDSA-ETON CENTRIS	G/F Eton Centris, One Cyberpod Centris, EDSA cor. Quezon Avenue, Diliman, Quezon City, Metro Manila	131,335	March 31, 2025
Q.C.-FRISCO	Unit E/F, MCY Bldg., #136 Roosevelt Ave., Paraíso, Quezon City, Metro Manila	60,000	October 19, 2029
Q.C.-GRACE VILLAGE	G/F, TSPS Bldg., Christian cor. Grace Sts., Apolonio Samson, Quezon City, Metro Manila	137,652	December 31, 2026
Q.C.-N.S. AMORANTO	Unit 103, "R" Place Building, 255 N.S. Amoranto St., N.S. Amoranto, Quezon City, Metro Manila	108,484	May 31, 2028
Q.C.-DELTA	GF Universal Tower, 1487 Quezon Ave., West Triangle, Quezon City, Metro Manila	210,049	March 05, 2028
Q.C.-ROOSEVELT AVE.	256 Roosevelt Ave., San Antonio, Quezon City, Metro Manila	175,000	April 30, 2029
Q.C.-TIMOG EDSA	Upper G/F, Caswynn Building, 134 Timog Avenue, Sacred Heart, Quezon City, Metro Manila	134,000	June 26, 2027
Q.C.-ACROPOLIS	TriQuetra Bldg., 251 E. Rodriguez Jr. Ave., Bagumbayan, Quezon City, Metro Manila	206,636	October 31, 2025
Q.C.-ARANETA CENTER	Unit 5, G/F, Manhattan Heights, Araneta Center, Cubao, Quezon City, Metro Manila	242,030	September 30, 2026
Q.C.-CUBAO-HARVARD	SMRC Bldg., 901 Aurora Blvd. Cor Harvard & Stanford Sts., Cubao, Quezon City, Metro Manila	123,200	September 30, 2026
Q.C.-ETON-CORINTHIAN	Unit 78, E-Life Eton Cyberpod Corinthian, EDSA cor. Ortigas Ave., Ugong Norte, Quezon City, Metro Manila	156,933	March 14, 2025
Q.C.-KATIPUNAN-AURORA BLVD.	Aurora Blvd. near PSBA, Bgy. Loyola Heights, Quezon City, Metro Manila	56,882	November 15, 2026
Q.C.-KATIPUNAN-LOYOLA HEIGHTS	Agcor Bldg., 335 Katipunan Ave., Loyola Heights, Quezon City, Metro Manila	202,456	December 31, 2024
Q.C.-KATIPUNAN-ST. IGNATIUS	G/F, Linear Building, Katipunan Road, St. Ignatius, Quezon City, Metro Manila	124,437	January 31, 2029
Q.C.-MATALINO	Tempus Bldg., 21 Matalino St., Diliman, Quezon City, Metro Manila	136,750	June 30, 2026
Q.C.-MWSS	MWSS Compound, Katipunan Road, Balara, Quezon City, Metro Manila	128,250	April 30, 2029
Q.C.-NFA	SRA Building, North Avenue, Brgy. Vastra, Quezon City, Metro Manila	55,834	August 31, 2026
Q.C.-NPC	Agham Road, Diliman, Quezon City, Metro Manila	312,434	February 14, 2025
Q.C.-PROJECT 8	Mecca Trading Bldg., Congressional Avenue, Project 8, Quezon City, Metro Manila	95,090	May 31, 2026
Q.C.-SSS DILIMAN	G/F, SSS Building, East Avenue, Diliman, Pinyahan, Quezon City, Metro Manila	232,773	January 31, 2025
Q.C.-UP CAMPUS	No. 3, Apacible St., UP Campus, Diliman, Quezon City, Metro Manila	206,427	September 05, 2029
Q.C.-BATASANG PAMBANSA	Main Entrance, Batasan Pambansa Complex, Constitutional Hills, Quezon City, Metro Manila	10,000	January 13, 2025
Q.C.-COMMONWEALTH AVENUE	G/F, LC Square Bldg., 529 Commonwealth Avenue, Matandang Balara, Quezon City, Metro Manila	109,396	December 01, 2024
Q.C.-DON ANTONIO HEIGHTS	No. 50, Holy Spirit Drive, Don Antonio Heights 2, Holy Spirit, Quezon City, Metro Manila	123,200	February 28, 2027
Q.C.-EVER COMMONWEALTH	Lower G/F, Stall No. 20 Ever Gotesco Mall, Commonwealth, Commonwealth, Quezon City, Metro Manila	268,119	March 06, 2026
Q.C.-FAIRVIEW COMMONWEALTH	70 Commonwealth Ave., Fairview Park Subd., Fairview, Quezon City, Metro Manila	118,303	March 31, 2028
Q.C.-FAIRVIEW-REGALADO AVE.	No. 41 Regalado Avenue, West Fairview, Quezon City, Metro Manila	146,588	May 31, 2026
Q.C.-LAGRO	Ground Floor, BDI Center Inc., Lot 33, Blk 114, Regalado Ave., Greater Lagro, Quezon City, Metro Manila	183,680	September 16, 2028
Q.C.-LAGRO-QUIRINO	Quirino Ave., Lagro, Quezon City, Metro Manila	140,000	June 30, 2029
Q.C.-MINDANAO AVENUE	Yrreverre Bldg., 888 Mindanao Ave., Bgy. Talipapa, Quezon City, Metro Manila	125,512	June 30, 2026

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
Q.C.-NOVALICHES-TALIPAPA	513 Quirino Highway, Talipapa , Novaliches, Quezon City, Metro Manila	57,372	February 24, 2025
Q.C.-TANDANG SORA	102 Tandang Sora cor. San Miguel Village, Brgy. Pasong Tamo, Quezon City, Metro Manila	66,550	September 25, 2026
Q.C.-VISAYAS AVENUE	Wilcon City Center, 121 Visayas Avenue, Brgy. Bahay Toro, Quezon City, Metro Manila	132,767	June 05, 2026
Q.C.-S&R COMMONWEALTH	Ground Floor, Unit 5, S&R , Commonwealth Avenue corner Quirino Highway, Barangay Kaligayahan, Quezon City, Metro Manila	107,143	July 31, 2026
RIZAL-MONTALBAN	E. Rodriguez Highway cor. Midtown Subd., Barangay Rosario, Rodriguez, Rizal	76,576	May 31, 2026
RIZAL-SAN MATEO	19 Gen. Luna St., Bgy. Banaba, San Mateo, Rizal	52,328	October 31, 2026
MANDALUYONG-BONI AVENUE	654 Boni Ave., Plainview, Mandaluyong City, Metro Manila	156,538	December 31, 2026
MANDALUYONG-D. GUEVARRA	GF, Libertad Heights Building, 16 Domingo M. Guevarra St., Barangay Highway Hills, Mandaluyong City, Metro Manila	261,382	November 17, 2029
MANDALUYONG-PIONEER	G/F, Bldg B Guerrero Complex, 123 Pioneer St., Highway Hills, Mandaluyong City, Metro Manila	153,154	April 14, 2029
MANDALUYONG-SHANGRI-LA PLAZA	Unit AX 116 P3, Carpark Bldg. Shangri-la Annex Plaza Mall, EDSA Cor Shaw Blvd, Wack- Wack, Mandaluyong City, Metro Manila	183,155	September 30, 2025
MANDALUYONG-SHAW BLVD.	Unit G06, Global Link Center, No. 710-712 Shaw Boulevard, Brgy. Wack-Wack, Mandaluyong City, Metro Manila	194,070	September 30, 2028
MANDALUYONG-SHAW-ACACIA LANE	2 Acacia Lane corner Shaw Blvd., Hagdang Bato Libis, Mandaluyong City, Metro Manila	162,289	June 15, 2029
PASIG-CAPITOL COMMONS	Unit 2, G/F, Unimart, Capitol Commons, Shaw Blvd., cor. Meralco Ave., Brgy. Oranbo, Pasig City , Metro Manila	444,880	September 30, 2025
PASIG-KAPASIGAN	Emiliano A. Santos Bldg., A. Mabini cor. Dr. Sixto Antonio Ave., Kapasigan, Pasig City, Metro Manila	244,052	September 30, 2025
PASIG-ORTIGAS GARNET	Unit 104, Taipan Bldg., Garnet Road, Ortigas Center, Pasig City, Metro Manila	182,023	October 15, 2027
PASIG-SANTOLAN	Amang Rodriguez Ave., Dela Paz, Santolan, Pasig City , Metro Manila	178,571	December 07, 2028
PASIG-TIENDESITAS	G/F, Units 4-5, No. 03 Silver City Bldg., Frontera Verde Drive, Ortigas Center, Ugong , Pasig City , Metro Manila	224,754	September 29, 2025
GREENHILLS-CLUB FILIPINO DRIVE	G/F, One Kennedy Place, Club Filipino Drive, Greenhills, San Juan City, Metro Manila	273,347	May 31, 2025
GREENHILLS-ORTIGAS AVE.	G/F, Limketkai Bldg., Ortigas Ave., Greenhills, San Juan City, Metro Manila	338,033	June 18, 2028
Q.C.-GALAS	20 A. Bayani St. cor. Bustamante St., Galas, Quezon City, Metro Manila	93,578	May 31, 2026
Q.C.-GRANADA	G/F, Xavier Hills Condominium, Granada cor. N. Domingo Sts., Brgy. Valencia, Quezon City, Metro Manila	156,026	February 28, 2025
SAN JUAN-WEST CRAME	G/F, Unit 2, GG8 Building, 294 Santolan Road, Brgy. West Crame, San Juan City, Metro Manila	120,924	September 05, 2028
Q.C.-ROCES AVENUE	Units 16 & 17, The Arcade at 68 Roces, Don Alejandro Roces Avenue, Brgy. Obrero, Quezon City, Metro Manila	215,550	April 05, 2026
Q.C.-TOMAS MORATO	114 Tomas Morato, Brgy. Kumuning, Quezon City, Metro Manila	85,110	April 10, 2029
Q.C.-UERMMM	UERMMM, No. 64 Aurora Blvd., Brgy. Dona Imelda, Quezon City, Metro Manila	126,313	May 31, 2026
Q.C.-WELCOME ROTONDA	Doña Natividad Bldg., España-Quezon Blvd., Rotonda, Quezon City, Metro Manila	82,947	February 28, 2026
SAN JUAN-ANNAPOLIS	Ground Floor, Continental Plaza, Annapolis Street, Greenhills, San Juan City, Metro Manila	151,938	February 28, 2028
EDSA-ORTIGAS AVE.-DMW	Ground Floor, Blas F. Ople Bldg., EDSA cor. Ortigas Ave., Barangay Wack-Wack, Mandaluyong, Metro Manila	35,513	September 05, 2028
SAN JUAN-F. BLUMENTRITT	213 F Blumentritt St. cor. Lope K. Santos, Brgy. Pedro Cruz, San Juan City, Metro Manila	97,237	March 31, 2028
SAN JUAN-JOSE ABAD SANTOS	G/F, TNA Building, Jose Abad Santos , Little Baguio, San Juan City, Metro Manila	205,722	March 31, 2027
ANTIPOLO-CIRCUMFERENTIAL	Circumferential Road, Quezon Ave., Brgy. Dalig, Antipolo City, Rizal	100,000	April 21, 2026
ANTIPOLO-P. OLIVEROS	#89 P. Oliveros St. Kapitolyo Arcade, San Roque, Antipolo City, Rizal	97,241	December 31, 2024
ANTIPOLO-SUMULONG-MASINAG	F. N. Crisostomo Bldg. 2, Sumulong Highway, Bo. Mayamot, Antipolo City, Rizal	97,241	February 28, 2030
CAINTA-RS CITY SQUARE	Ground Floor, RSI-0107C, RS City Square Junction, Ortigas Avenue Extension, Barangay Sto. Domingo, Cainta, Rizal	87,054	September 08, 2026
CAINTA-VILLAGE EAST	G/F, Arellano Bldg., Felix Ave. cor. Village East Ave., Sto. Domingo, Cainta, Rizal	76,854	January 15, 2027
MARIKINA-CONCEPCION	Bayan-Bayanan Ave. cor. Eustaquio St., Concepcion, Marikina City, Metro Manila	255,436	June 30, 2027
MARIKINA-LILAC	G/F, Paulmarcs Centre, Lot 1 Blk. 11, Lilac St. cor. Rancho Ave., Hacienda Heights Village, Concepcion Dos, Marikina City, Metro Manila	95,000	January 07, 2029
MARIKINA-SHOE AVE.	Shoe Ave. corner W. Paz St., Sta. Elena, Marikina City, Metro Manila	205,838	November 13, 2025
PASIG-C. RAYMUNDO	G/F, JG Bldg., C. Raymundo Avenue, Rosario, Pasig City , Metro Manila	69,128	August 02, 2025
PASIG-ORTIGAS EXT.	103 B, Gan Building, Ortigas Ave. Ext., Rosario, Pasig City , Metro Manila	155,000	August 31, 2028
RIZAL-BINANGONAN	8002, La Plaza Building, J.P. Rizal Corner P. Gomez Sts., Libis (POB.), Binangonan, Rizal	63,700	February 28, 2029
RIZAL-TANAY	Tanay New Public Market Road, Brgy. Plaza Aldea, Tanay, Rizal	141,308	October 29, 2027
RIZAL-TAYTAY	Ilog Pugad, National Road, Brgy. San Juan, Taytay, Rizal	67,002	October 22, 2028
BINONDO-MASANGKAY	916 Masangkay St., Binondo, Manila City, Metro Manila	277,111	November 30, 2026
BINONDO-NEVA	Lot 17-18, Block 2037, Yuchenco and Tomas Pinpin Sts., Binondo, Manila City, Metro Manila	201,987	November 30, 2025
BINONDO-QUINTIN PAREDES	Alliance Bldg., 410 Quintin Paredes St., Binondo, Manila City, Metro Manila	750,884	November 05, 2028
BINONDO-REINA REGENTE	1067 Felipe II St. (near corner Reina Regente), Binondo, Manila City, Metro Manila	84,426	March 31, 2026
BINONDO-SAN FERNANDO	452 San Fernando St. cor. Elcano St. , Binondo, Manila City, Metro Manila	180,000	December 31, 2026
BINONDO-SAN NICOLAS	Gedisco Towers, 534 Asuncion St., San Nicolas, Manila City, Metro Manila	196,904	March 31, 2029
DIVISORIA-168 MALL	Stalls 3S-04, 3rd Floor, 168 Shopping Mall, Sta. Elena, Soler Sts., Binondo, Manila City, Metro Manila	209,989	September 30, 2025

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
DIVISORIA-ELCANO	706-708 Elcano St., San Nicolas, Manila City, Metro Manila	274,882	November 30, 2027
DIVISORIA-JUAN LUNA	CK Bldg., 750 Juan Luna St., Binondo, Manila City, Metro Manila	157,848	March 31, 2028
MANILA-INTRAMUROS-CATHEDRAL	707, Shipping Center Condominium, A. Soriano Jr. St., Intramuros, Manila City, Metro Manila	159,756	November 30, 2029
MANILA-PADRE RADA	RCS Bldg., Padre Rada St., Tondo, Manila City, Metro Manila	213,517	October 31, 2029
MANILA-T. ALONZO	905 T. Alonzo cor. Ongpin Sts., Brgy 298, Sta Cruz, Manila City, Metro Manila	196,928	March 31, 2025
MANILA-TONDO-JUAN LUNA	1941-43 Juan Luna St., Brgy 151, Tondo, Manila City, Metro Manila	130,000	October 31, 2027
MANILA-TUTUBAN MALL	G/F & Podium Level, Prime Block Mall, Tutuban Center, Divisoria, Manila City, Metro Manila	162,937	June 14, 2026
MANILA-BAMBANG-MASANGKAY	G/F , ST Condominium, 1480 G. Masangkay St., Sta Cruz, Manila City, Metro Manila	158,919	February 28, 2026
MANILA-BLUMENTRITT-L. RIVERA	CITIDORM Blumentritt, 1848 Blumentritt corner Leonor Rivera Sts., Brgy 367, Sta Cruz, Manila City, Metro Manila	160,839	November 30, 2029
MANILA-ESCOLTA	G/F, Regina Bldg., 324 Escolta, Brgy 291, Escolta, Manila City, Metro Manila	234,357	September 30, 2025
MANILA-ESPAÑA	Unit 104, St. Thomas Square, 1150 España Blvd., cor. P. Campa St., Sampaloc East, Manila City, Metro Manila	91,056	March 15, 2028
MANILA-FUGOSO ST.	No. 1686, JT Centrale, V. Fugoso cor. Felix Huertas Sts., Brgy 311, Sta Cruz, Manila City, Metro Manila	134,928	August 05, 2026
MANILA-G. TUAZON	Greeny Rose Residence Inc., G. Tuazon cor. 311 Algeciras Sts., Balic-Balic, Sampaloc, Manila City, Metro Manila	103,056	September 22, 2027
MANILA-JOSE ABAD SANTOS	1450-1452, Coyuco Bldg., Jose Abad Santos St., Brgy 250, Tondo, Manila City, Metro Manila	70,859	August 31, 2026
MANILA-MACEDA-LAON LAAN	G/F, Maceda Place Bldg., Laong-laan corner Maceda St., Sampaloc, Manila City, Metro Manila	102,201	July 29, 2025
MANILA-MORAYTA	Consuelo Building, 629 N. Reyes St., (Formerly Morayta), Sampaloc , Manila City, Metro Manila	211,974	July 31, 2028
MANILA-NORTH BAY	511 Honorio Lopez Blvd., Balut, Brgy 148, Tondo, Manila City, Metro Manila	49,020	October 31, 2025
MANILA-QUIAPO-C. PALANCA	C. Palanca St. corner Quezon Blvd., Brgy 306, Quiapo, Manila City, Metro Manila	146,700	November 30, 2028
MANILA-U.E. RECTO	G/F, Dalupan Bldg. University of the East Campus, 2219 Claro M. Recto Ave., Sampaloc , Manila City, Metro Manila	61,529	September 30, 2026
MANILA-BSP	Ground Floor, Cafetorium Building, BSP Complex, A. Mabini corner P. Ocampo Sts., Malate, Manila City, Metro Manila	180,755	December 31, 2024
Q.C.-BSP	BSP Security Complex, East Avenue, Diliman, Quezon City, Metro Manila	13,225	December 31, 2024
MANILA-CENTURY PARK HOTEL	G/F, Century Park Hotel, P. Ocampo cor. M. Adriatico Sts., Malate, Manila City, Metro Manila	256,363	February 28, 2029
MANILA-ERMITA-U.N. AVE.	Physician's Tower, 533 U.N. Avenue cor. San Carlos Sts., Ermita, Manila City, Metro Manila	234,146	January 31, 2028
MANILA-ERMITA-ROXAS BLVD.	Roxas Blvd. corner Arquiza St., Ermita, Manila City, Metro Manila	243,581	January 15, 2026
MANILA-J.P. LAUREL	G/F, Gama Bldg., J. P. Laurel cor. Minerva Sts., San Miguel, Manila City, Metro Manila	122,321	February 28, 2029
MANILA-LEON GUINTO	G/F, Marlow Bldg., 2120 Leon Guinto St., Malate, Manila City, Metro Manila	274,363	July 15, 2025
MANILA-MALATE-ADRIATICO	G/F, Pearl Garden Hotel, 1077 M. Adriatico cor. Malvar Sts., Malate, Manila City, Metro Manila	173,571	June 30, 2029
MANILA-MALATE-TAFT	Marc 1 Building, 1971 Taft Avenue, Malate, Manila City, Metro Manila	170,800	July 17, 2026
MANILA-P. OCAMPO SR.	550, Pablo Ocampo cor. Mabini Sts., Malate, Manila City, Metro Manila	130,343	May 31, 2026
MANILA-PANDACAN	Jesus St. Corner T. San Luis St., Pandacan, Manila City, Metro Manila	73,764	October 31, 2025
MANILA-PGH	PGH Compound, Taft Avenue, Ermita, Manila City, Metro Manila	195,449	November 10, 2026
MANILA-REMEDIOS	Ground Floor, Royal Plaza Twin Towers, 648 Remedios cor. Ma. Orosa Sts., Malate, Manila City, Metro Manila	126,470	August 31, 2025
MANILA-SAN ANDRES	1155, Swanson Building, cor. Linao Street, San Andres, Manila City, Metro Manila	110,000	July 30, 2025
MANILA-U.N. AVE.	G/F, UMC Building, 900 U.N. Avenue, Ermita, Manila City, Metro Manila	121,275	November 30, 2027
MAKATI-ALLIED BANK CENTER	G/F, Allied Bank Center, 6754 Ayala Ave. cor. Legazpi St., Barangay San Lorenzo, Makati City, Metro Manila	2,146,420	June 05, 2030
MAKATI-AGUIRRE	G/F, All Seasons Bldg., 112 Aguirre St., Brgy San Lorenzo, Makati City, Metro Manila	144,818	September 26, 2029
MAKATI-DELA COSTA	Classica Towers, 114 HV dela Costa St., Brgy Bel-Air, Makati City, Metro Manila	113,881	September 30, 2029
MAKATI-GREENBELT	G/F , Charter House, 114 Legaspi St., Brgy San Lorenzo, Makati City, Metro Manila	101,857	September 30, 2026
MAKATI-LEVISTE ST.-SALCEDO VILLAGE	G/F, LPL Mansions Condominium, 122 L.P. Leviste St., Brgy Bel-Air, Makati City, Metro Manila	220,904	April 19, 2026
MAKATI-P. OCAMPO	G/F, PMI Tower, P. Ocampo St., Brgy. La Paz, Makati City, Metro Manila	118,000	January 31, 2026
MAKATI-SALCEDO ST.-LEGASPI VILLAGE	First Life Center, 174 Salcedo St., Brgy San Lorenzo, Makati City, Metro Manila	149,922	October 15, 2029
MAKATI-SAN LORENZO-ARNAIZ	G/F, Power Realty Bldg., 1012 A. Arnaiz Avenue, Brgy San Lorenzo, Makati City, Metro Manila	85,085	June 30, 2026
MAKATI-AMORSOLO	Don Pablo Building, 114 Amorsolo St., Brgy San Lorenzo, Makati City, Metro Manila	291,480	July 31, 2028
HEAD OFFICE CENTER	G/F, PNB Financial Center, Pres. D. Macapagal Blvd., Barangay 76, Pasay City, Metro Manila	1,142,725	June 05, 2030
MAKATI-BANGKAL	Ground Floor, E.P. Hernandez Bldg., 1646 Evangelista St., Bangkal, Makati City, Metro Manila	168,000	October 31, 2027
MAKATI-BUENDIA-EDISON	G/F, Visard Bldg., #19 Sen. Gil Puyat Avenue, Buendia, Makati City, Metro Manila	98,796	February 07, 2026
MAKATI-ETON YAKAL	Unit 14, G/F, EWest Mall, Chino Roces Ave. cor. Yakal Sts., Brgy San Antonio Village, Makati City, Metro Manila	142,430	September 14, 2029
MAKATI-METROPOLITAN AVENUE	Unit 102, BUMA Bldg., 1012 Metropolitan Avenue, Brgy San Antonio Village, Makati City, Metro Manila	108,803	October 15, 2028
PASAY-MACAPAGAL-DD MERIDIAN	G/F, DoubleDragon Center West, EDSA Extension corner Macapagal Avenue, Bay Area, Pasay City	289,980	July 05, 2029
PASAY-CARTIMAR	SATA Corp. Bldg., 2217 Taft Avenue, Taft Avenue, Pasay City, Metro Manila	134,188	October 15, 2029

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
PASAY-CORAL WAY	Unit 103, GF, Philflex Bay Center, Coral Way Drive, MOA Complex, Bay Area, MOA Complex, Pasay City, Metro Manila	224,400	November 12, 2028
PASAY-GSIS	Level 1, GSIS Building, Financial Center, Roxas Blvd., Barangay 76, Pasay City, Metro Manila	148,766	May 31, 2028
PASAY-LIBERTAD	277, P. Villanueva St., Libertad, Pasay City, Metro Manila	137,370	December 31, 2026
PASAY-ROXAS BLVD.	G/F, Benjas Realty Building, 7 San Luis Street, corner Service Road, Roxas Boulevard, Barangay 12, Pasay City, Metro Manila	283,920	February 28, 2027
PASAY-TAFT	2482 Taft Avenue, Taft Avenue, Pasay City, Metro Manila	240,145	January 31, 2028
PASAY-VILLAMOR AIR BASE	G/F, Airmens Mall Bldg., corner Andrews & Sales Sts., Villamor Air Base, Pasay City, Metro Manila	27,000	December 31, 2026
PARAÑAQUE-ASEANA CITY	G/F, Space 127, Monarch Parksuites, Bradco Avenue, Aseana Business Park, Baclaran, Parañaque City, Metro Manila	289,893	November 20, 2027
BGC-10TH AVENUE	GF Shop 2, PhilPlans Corp Center, 10 Avenue corner Kalayaan Avenue, Fort Bonifacio, Taguig City, Metro Manila	165,917	January 14, 2027
BGC-7TH AVENUE	Twenty-Four Seven Mckinley Building, 24th St. corner 7th Avenue, Fort Bonifacio, Taguig City, Metro Manila	369,970	December 28, 2026
BGC-BURGOS CIRCLE	Unit GF-4, The Fort Residences, 30th St. corner 2nd Avenue, Padre Burgos Circle, Fort Bonifacio, Taguig City, Metro Manila	262,000	November 30, 2029
BGC-INFINITY	G/F 101, The Infinity Tower, 26th Street, Fort Bonifacio, Taguig City, Metro Manila	271,959	May 15, 2026
BGC-LUXE RESIDENCES	The Luxe Residences, 28th St. cor. 4th Ave., Fort Bonifacio, Taguig City, Metro Manila	400,896	November 30, 2029
BGC-MENARCO	Unit C, G/F, The Menarco Tower, 32nd St., Fort Bonifacio, Taguig City, Metro Manila	527,625	December 31, 2024
BGC-ONE MCKINLEY PLACE	Unit 6, G/F, One Mckinley Place, 26th Street cor. 4th Ave., Fort Bonifacio, Taguig City, Metro Manila	303,212	May 31, 2027
BGC-ORE CENTRAL	Unit 6, G/F, Ore Central, 9th Ave. cor. 31st St., Fort Bonifacio, Taguig City, Metro Manila	536,530	September 14, 2027
BGC-W CITY CENTER	Unit A, G/F, W City Center, 7th Ave. cor. 30th St., Fort Bonifacio, Taguig City, Metro Manila	697,479	July 14, 2027
BGC-WORLD PLAZA	Unit 3, G/F, World Plaza, 5th Ave., Fort Bonifacio, Taguig City, Metro Manila	753,570	August 31, 2027
MAKATI-BEL-AIR	#52 Jupiter St., Brgy Bel-Air, Makati City, Metro Manila	250,000	June 05, 2026
MAKATI-GUADALUPE	Pacmac Bldg., 23 EDSA, Guadalupe Nuevo, Makati City, Metro Manila	111,888	October 18, 2026
MAKATI-ROCKWELL CENTER	Stall No. RS-03, Ground Floor, Manansala Tower, Estrella St., Rockwell Center, Makati City, Metro Manila	304,805	March 31, 2027
PATEROS-ALMEDA	Tri-Ax One Center, 133 M. Almeda corner Morcilla Streets, San Roque, Pateros, Metro Manila	117,384	November 30, 2026
MAKATI-DASMARIÑAS VILLAGE	Allegro Center, 2284 Chino Roces Avenue Extension, Chino Roces Ave, Makati City, Metro Manila	122,493	October 31, 2025
MAKATI-PASONG TAMO	2233 Pasong Tamo Avenue, Chino Roces Ave, Makati City, Metro Manila	151,439	June 30, 2026
NAIA 1-DEPARTURE AREA	Departure Area, NAIA Terminal Bldg., Imelda Ave., Sto Nino, Parañaque City, Metro Manila	9,926	December 31, 2025
NAIA 2-DEPARTURE AREA	NAIA Centennial Terminal II, Northwing Level Departure Intl. Bldg., Barangay 198, Pasay City, Metro Manila	42,877	December 31, 2025
NAIA 3-ARRIVAL AREA	Arrival Area Lobby, NAIA Terminal 3 Complex, Barangay 183, Pasay City, Metro Manila	20,539	December 31, 2025
PARAÑAQUE-BF HOMES-AGUIRRE AVENUE	47 Aguirre Ave. corner Tirona St., BF Homes, Parañaque City, Metro Manila	108,588	July 12, 2027
PARAÑAQUE-BF HOMES-PRES. AVE.	43-C President Avenue, BF Homes, Parañaque City, Metro Manila	103,318	December 31, 2028
PARAÑAQUE-EAST SERVICE ROAD	Iba cor. Malugay Sts. East Service Road, United Parañaque, Barangay San Martin de Porres, Parañaque City, Metro Manila	89,850	November 30, 2029
PARAÑAQUE-OYSTER PLAZA	Unit D1, Oyster Plaza Bldg., Ninoy Aquino Ave., San Dionisio, Parañaque City, Metro Manila	88,647	October 31, 2025
PARAÑAQUE-SUCAT-A. SANTOS	G/F, Kingsland Bldg., Dr. A. Santos Avenue, San Isidro, Parañaque City, Metro Manila	154,746	October 31, 2025
PARAÑAQUE-SUCAT-EVACOM	AC Rafel Center, 8193 Dr. A. Santos Ave., San Isidro, Parañaque City, Metro Manila	157,000	May 31, 2029
PASAY-DOMESTIC AIRPORT RD.	G/F, PAL Data Center, Domestic Road, Domestic Airport Rd, Pasay City, Metro Manila	22,001	September 14, 2025
TAGUIG-FTI COMPLEX	Lot 55, G/F, Old Admin Bldg., FTI Complex, Western Bicutan, Taguig City, Metro Manila	98,452	June 07, 2027
TAGUIG-BAGONG CALZADA	Sky Realty Building, Bagong Calzada, Ususan, Taguig City, Metro Manila	120,270	March 17, 2029
TAGUIG-BAYANI ROAD	Ground Floor, GPI Building, 53 Bayani Road, Western Bicutan, Taguig City, Metro Manila	158,760	March 31, 2027
TAGUIG-MCKINLEY WEST	Unit A108, G/F, 568 West Campus Building, Mckinley West, Taguig City, Metro Manila	340,500	July 31, 2027
LAS PIÑAS-AGUILAR AVENUE	G/F, Las Piñas Doctors' Hospital, Aguilar Ave., Citadella Subd., Pulang Lupa Dos, Las Piñas City, Metro Manila	158,279	March 14, 2026
LAS PIÑAS-ALMANZA	Consolidated Asiatic Proj., Inc. Bldg., Alabang-Zapote Road, Bgy. Almanza, Las Piñas City, Metro Manila	211,783	March 31, 2027
LAS PIÑAS-TALON UNO	B2-GL03 & B2-GL06, 1st Floor, Colours Town Center, Alabang-Zapote Road corner Marcos Alvarez Avenue, Talon Uno, Las Piñas City, M	122,103	September 30, 2029
LAS PIÑAS-EVIA LIFESTYLE CENTER	Lower G/F- Units 0013-0014, Evia Lifestyle Center, Daang Hari, Vista Alabang, Almanza Dos, Las Piñas City, Metro Manila	69,574	July 18, 2026
LAS PIÑAS-NAGA ROAD	Lot 2A, Naga Road corner DBP Extension, Pulang Lupa Dos, Las Piñas City, Metro Manila	84,000	March 12, 2027
LAS PIÑAS-ONE TOWNSQUARE PLACE	Unit A-101, G/F, One Townsquare Place, Alabang-Zapote Road, Almanza Uno, Las Piñas City, Metro Manila	225,647	January 31, 2025
LAS PIÑAS-PAMPLONA	Alabang-Zapote Road, Pamplona 3, Las Piñas City, Metro Manila	155,577	February 07, 2028
LAS PIÑAS CITY-BF RESORT VILLAGE	Unit 1, GF MJ Square Building, BLK 18, Lot 16, BF Resort Drive, BF Resort Village, Talon Dos, Las Piñas City, Metro Manila	51,838	February 05, 2025
LAS PIÑAS-ZAPOTE	99 Real Street, Alabang-Zapote Road, Pamplona 1, Las Piñas City, Metro Manila	53,425	November 26, 2025
MUNTINLUPA-ALABANG-AYALA SOUTH PARK	G/F, Ayala Malls South Park, National Road, Alabang, Muntinlupa City, Metro Manila	86,723	December 31, 2026
MUNTINLUPA-ALABANG-MADRIGAL BUSINESS P	G/F, Page 1 Building, 1215 Acacia Avenue, Madrigal Business Park, Ayala Alabang, Muntinlupa City, Metro Manila	276,640	May 14, 2027
MUNTINLUPA-BELLEVUE-FILINVEST	Ground Floor, Bellevue Hotel, North Bridgeway, Northgate Cyberzone, Filinvest Corporate City, Alabang, Muntinlupa City, Metro Manila	180,000	July 31, 2029
MUNTINLUPA-EAST SERVICE ROAD	Uratex Building, Km 23, East Service Road, Barangay Cupang, Muntinlupa City, Metro Manila	72,000	August 13, 2028

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Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
MUNTINLUPA-FILINVEST AVENUE	BC Group Center, Filinvest Avenue & East Asia Drive, Filinvest Corporate City, Alabang, Muntinlupa City , Metro Manila	250,678	January 15, 2027
MUNTINLUPA-NATIONAL ROAD	G/F, Unit 1, Minerva Vineyard, National Road, Brgy. Putatan, Muntinlupa City , Metro Manila	80,000	September 01, 2028
Northern Luzon			
CAGAYAN-SANCHEZ MIRA	C-2 Maharlika Highway, Centro 1, Sanchez Mira, Cagayan	77,812	December 01, 2027
CAGAYAN-TUAO	G/F, Villacete Bldg., National Highway, PATA , Tuao, Cagayan	18,000	September 23, 2028
CAGAYAN-ROBINSONS MALL TUGUEGARAO	Tenant 2005A, Level 2, Robinsons Place Tuguegarao Mall, Maharlika Highway, Barangay Tanza, Tuguegarao City, Cagayan	72,201	November 15, 2025
IFUGAO-LAGAWÉ	JDT Building, Inguiling Drive, Poblacion East, Lagawe, Ifugao	30,368	October 11, 2028
ISABELA-ALICIA	Armando & Leticia de Guia Bldg., San Mateo Road, Antonio, Alicia, Isabela	54,095	November 30, 2025
ISABELA-CAUAYAN-MAHARLIKA HI-WAY	Disston Bldg., Maharlika Highway, Bgy. San Fermin, Cauayan City, Isabela	64,286	March 31, 2029
ISABELA-CENTRO ILAGAN	LJP Building, Rizal St., Centro Poblacion , Ilagan City, Isabela	56,075	August 13, 2026
KALINGA-TABUK	West Gate Bldg., Provincial Road, Poblacion West, Tabuk City, Kalinga	63,856	December 20, 2025
MOUNTAIN PROVINCE-BONTOC	G/F, G/F Mt. Province Commercial Center, Poblacion , Bontoc, Mountain Province	28,453	September 10, 2026
BAGUIO CITY-MAGSAYSAY AVE.	G/F, Lyman Ogilby Centrum Bldg, 358 Magsaysay Ave., Lower Magsaysay, Baguio City, Benguet	88,683	June 30, 2027
BAGUIO CITY-NAGUILIAN ROAD	G/F, High Country Inn, Naguilian Road, Campo Filipino, Baguio City, Benguet	81,034	October 31, 2026
BAGUIO CITY-RIZAL PARK	Travelite Express Hotel, Shuntug St. cor. Fernando G. Bautista Drive, AZCKO , Baguio City, Benguet	213,678	July 31, 2026
BENGUET-LA TRINIDAD	Benguet State University Compound, Kilometer 5, Brgy. Balili, La Trinidad, Benguet	46,080	October 05, 2027
ILOCOS NORTE-PASUQUIN	Farmers Trading Center Bldg., Maharlika Highway, Poblacion 1, Pasuquin, Ilocos Norte	22,400	June 27, 2027
ILOCOS SUR-NARVACAN	Annex Bldg., Narvacan Municipal Hall, Sta. Lucia, Narvacan, Ilocos Sur	72,930	December 31, 2027
LAOAG CITY-CASTRO	F.R. Castro Ave. (formerly A. Bonifacio St.), Barangay 17, Laoag City, Ilocos Norte	120,608	March 31, 2025
VIGAN CITY MARKET	G/F, Unit 6, Puregold Vigan, Alcantara St., Barangay 8, Vigan City, Ilocos Sur	88,888	June 05, 2029
BULACAN-BALAGTAS	G/F, D & A Bldg., Mc Arthur Highway, San Juan, Balagtas, Bulacan	53,571	June 30, 2030
BULACAN-BOCAUE	McArthur Hi-way, Lolomboy, Bocaue, Bulacan	109,462	October 07, 2027
BULACAN-GUIGUINTO	G.S. Building, Cagayan Valley Road, Sta. Rita, Guiguinto, Bulacan	38,584	July 10, 2026
BULACAN-MARILAO	Units 104 & 105, Plaza Cecilia Building, Marilao San Jose Road, Santa Rosa I, Marilao, Bulacan	62,400	December 18, 2026
BULACAN-OBANDO	GF Fisherman's Building, J.P. Rizal Street, J.P. Rizal St. Paliwas, Obando, Bulacan	50,962	July 31, 2027
BULACAN-PLARIDEL	Cagayan Valley Road, Banga 1st, Plaridel, Bulacan	72,603	June 05, 2027
BULACAN-PULILAN-RISG	Unit No. 02, Ground Floor, Richfield Industrial Complex-Pulilan, Esguerra Street, Barangay Inaon & Barangay Sta. Peregrina, Pulilan, Bulac	56,000	August 5, 2028
BULACAN-ROBINSONS PULILAN	Robinsons Mall Pulilan, Maharlika Highway, Cutcot, Pulilan, Bulacan	52,468	December 31, 2024
BULACAN-SAN RAFAEL	, San Rafael Public Market, Cagayan Valley Road, Brgy. Cruz na daan, San Rafael, Bulacan	60,116	October 07, 2025
BULACAN-STA. MARIA	Jose Corazon De Jesus St., Poblacion, Sta. Maria, Bulacan	122,166	September 01, 2028
MALOLOS CITY-MACARTHUR HI-WAY	FC Bldg., Km 40, McArthur Hi-way, Sumapang Matanda, Malolos City, Bulacan	88,446	December 31, 2026
MEYCAUAYAN CITY-ESPERANZA MALL	G/F Stall 8 & 9, Esperanza Mall, McArthur Hi-way, Brgy. Calvario, Meycauayan City, Bulacan	59,640	September 30, 2026
MEYCAUAYAN CITY-MACARTHUR-SALUYSOY	The Maryville Square Bldg. Annex, Mc Arthur Highway, Saluysoy, Meycauayan City, Bulacan	96,753	November 17, 2029
SAN JOSE DEL MONTE CITY-QUIRINO HIGHWAY	G/F, RHC Builders Warehouse, National Highway, Tungkong Mangga, City of San Jose Del Monte, Bulacan	150,000	December 31, 2024
ANGELES-MACARTHUR HIGHWAY	V&M Bldg., McArthur Highway, Brgy. Sto. Cristo, Angeles City, Pampanga	116,765	July 14, 2026
PAMPANGA-APALIT	G/F, Primemed Quest Alliance Bldg., MacArthur Highway, San Vicente, Apalit, Pampanga	97,500	September 30, 2028
PAMPANGA-CLARK FIELD	Clark Center II, Retail 4 & 5, Berthaphil III, Jose Abad Santos Ave., Clark Field, Pampanga	\$2,316.00 (Tax Exempt)	May 31, 2029
PAMPANGA-MABALACAT-SKYTECH	Retail 13, G/F, Skytech Building, MacArthur Highway, Brgy. Camachiles, Mabalacat, Pampanga	45,995	January 31, 2026
PAMPANGA-MACABEBE	Ground Floor, Macabebe Market Place, along National Road, Brgy. Sta. Rita, Macabebe, Pampanga	40,000	March 27, 2026
PAMPANGA-SAN SIMON	Unit A, Global Aseana Business Park 1, Quezon Road, San Isidro, San Simon, Pampanga	72,024	October 05, 2029
SAN FERNANDO CITY-DOLORES	Units 4&5 G/F, Peninsula Plaza Bldg., Mc Arthur Highway, Dolores, San Fernando City, Pampanga	80,155	May 31, 2029
PAMPANGA-MEXICO-L' PLAZA	Units 6-8, Ground Floor, L' Plaza Mexico Building, Jose Abad Santos Ave., Brgy. Lagundi, Mexico City, Pampanga	84,000	November 15, 2028
SAN FERNANDO CITY-B. MENDOZA	G8-9, Jafstar Medical Arts and Commercial Building, B. Mendoza St., Barangay Sto. Rosario, San Fernando City, Pampanga	97,500	August 05, 2028

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AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
SAN FERNANDO CITY-SINDALAN	G/F, Sindalan Commercial Building, Brgy. Sindalan, San Fernando City, Pampanga	85,001	August 31, 2027
TARLAC-CAPAS	G/F, 491 Arcade Tizon Compound, MacArthur Highway, Sto. Domingo II, Capas, Tarlac	66,950	October 15, 2026
BATAAN-DINALUPIHAN	BDA Bldg., San Ramon Highway, Mabini Ext San Ramon , Dinalupihan, Bataan	67,005	February 05, 2027
BATAAN-MARIVELES-BEPZ	Bataan Economic Zone, Luzon Ave., Maligaya, FAB Mariveles, Bataan	67,768	March 06, 2029
BATAAN-ORANI	Agustina Bldg., Mc Arthur Highway, Parang-Parang, Orani, Bataan	54,033	October 18, 2028
BATAAN-ORION	19 Daan Bilolo, Daang Bilolo Poblacion , ORION, Bataan	33,628	March 31, 2029
OLONGAPO CITY-MAGSAYSAY DRIVE	YBC Mall, 97 Magsaysay Drive, East Tapinac, Olongapo City, Zambales	220,633	May 01, 2028
OLONGAPO CITY-SUBIC BAY	Lot 5, Retail 2, Times Square Mall, Sta. Rita Road, Subic Bay Freeport Zone, Olongapo City, Zambales	91,024	October 08, 2026
PAMPANGA-LUBAO	Ela Paz Arcade, OG Road, Brgy. Sta. Cruz, Lubao, Pampanga	52,255	December 31, 2025
ZAMBALES-STA. CRUZ	Brgy. Hall, Poblacion South, Sta. Cruz, Zambales	25,000	December 31, 2028
DAGUPAN CITY-A.B. FERNANDEZ-NABLE	A. B. Fernandez Ave. cor. Nable St., Pantal, Dagupan City, Pangasinan	88,785	December 31, 2024
DAGUPAN CITY-RIZAL	G/F & 2/F, Jawer Building Annex, Rizal Street, Pugo Chico, Dagupan City, Pangasinan	131,579	January 05, 2030
PANGASINAN-BAYAMBANG	G/F Prime Bldg., Rizal St., , Zone 2, Bayambang, Pangasinan	86,171	October 11, 2025
PANGASINAN-CALASIAO	GF, Elguira Building, National Highway, Nalsian, Calasiao, Pangasinan	115,763	April 30, 2027
PANGASINAN-MANGALDAN	G/F, Abad Biascan Bldg., National Highway, Poblacion, Mangaldan, Pangasinan	70,223	March 31, 2025
PANGASINAN-SAN CARLOS CITY	Plaza Jaycee St., Poblacion, San Carlos City, Pangasinan	86,450	August 14, 2029
URDANETA CITY-ALEXANDER	AAG Building 2, Alexander Street, Poblacion, Urdaneta City, Pangasinan	106,867	January 01, 2028
AURORA-BALER	GF, DNR Building, Quezon Street, Suklayin, Baler, Aurora	45,000	November 01, 2025
CABANATUAN-DICARMA	R. Macapagal Bldg., Maharlika Highway, Brgy. Dicarma, Cabanatuan City, Nueva Ecija	134,400	August 01, 2029
CABANATUAN-MAHARLIKA	Km. 114 Maharlika Highway, Brgy. Bernardo, Cabanatuan City, Nueva Ecija	90,054	April 16, 2029
NUEVA ECIIJA-GUIMBA	Catman Bldg., Provincial Road corner Faigal St., Saranay District, Guimba, Nueva Ecija	57,900	September 05, 2027
NUEVA ECIIJA-STA. ROSA	G/F, JNB Bldg., Maharlika Highway, Brgy. Cojuanco, Sta. Rosa, Nueva Ecija	45,600	September 30, 2026
TARLAC CITY-ZAMORA	# 6 Zamora St., San Roque, Tarlac City, Tarlac	108,039	October 05, 2027
TARLAC-CAMILING	Rizal St., Poblacion G, Camiling, Tarlac	90,000	February 05, 2028
Southern Luzon			
BATANGAS CITY-PALLOCAN WEST	GF, MAJ Building, National Highway, Pallocan West, Batangas City	85,085	June 26, 2026
LIPA CITY-AYALA HIGHWAY	High 5 Square Building, Ayala Highway, Mataas na Lupa, Lipa City, Batangas	91,066	June 05, 2027
BATANGAS-NASUGBU	J. P. Laurel corner F. Alix Streets, Nasugbu, Batangas	85,000	May 31, 2029
BATANGAS CITY-KUMINTANG	JPA AMA Building, National Hi-way, Kumintang Ilaya, Batangas City	66,000	February 28, 2025
BATANGAS CITY-P.BURGOS	Unit G1E, G/F Expansion Area, Nuciti Central Mall, P. Burgos Street, Batangas City, Batangas	143,212	March 22, 2025
BATANGAS-LEMERY	Humarang Building corner Ilustre Avenue and P. De Joya Street, Lemery, Batangas	101,846	June 30, 2026
BATANGAS-TANAUAN	G/F, V. Luansing Bldg, J.P. Laurel Highway, Tanauan City, Batangas	81,396	August 21, 2026
BATANGAS CITY-DIEGO SILANG	Diego Silang St., Batangas City, Batangas Province	70,036	February 28, 2027
BATANGAS-MABINI	Casa Sorella Commercial Bldg., F. Castillo Street, Poblacion, Mabini, Batangas	35,714	May 29, 2026
BATANGAS-MALVAR	Pres. Laurel Highway, Brgy Poblacion, Malvar, Batangas	57,881	November 30, 2026
BATANGAS-ROSARIO	G/F, JCO Building, Carandang Street, Brgy. C, Rosario, Batangas	70,036	March 31, 2027
BATANGAS-STO. TOMAS MARKET	Sto. Tomas Market, Maharlika Highway, Barangay Poblacion 2, Sto. Tomas, Batangas	100,626	December 11, 2028
BATANGAS-TANAUAN-VICTORY MALL	GF-09 Victory Mall & Market, Barangay Poblacion VII, Tanauan City, Batangas	119,841	July 22, 2026
BACOR CITY-PANAPAAN	San Miguel Commercial Building, 215 E. Aguinaldo Highway, Barangay Panapaan I, Bacoor, Cavite	121,573	April 14, 2027
CAVITE-GEN. TRIAS	129 Governor's Drive, Manggahan, General Trias, Cavite	68,861	February 27, 2029
DASMARIÑAS-SALITRAN	Michael's Building, Aguinaldo Highway, Salitran, Dasmariñas City, Cavite	73,000	October 24, 2025
CAVITE-IMUS-AGUINALDO	Sayoc Abella Building, E. Aguinaldo Hi-way, Imus, Cavite	110,809	August 31, 2025
BACOR CITY-MOLINO	I.K. Commercial Building, Villa Maria Subdivision, Molino Highway, Molino III, Bacoor, Cavite	86,640	May 31, 2029
CAVITE-TANZA	G/F, Annie's Plaza Building, A. Soriano Highway, Daang Amaya, Tanza, Cavite	75,848	October 15, 2025
TAGAYTAY-MENDEZ	Vistamart Building, Gen. E. Aguinaldo Highway, Mendez Crossing West, Tagaytay City	100,000	November 29, 2029
CAVITE-NAIC	P. Poblete Street, Ibayo Silangan, Naic, Cavite	91,126	January 05, 2027
DASMARIÑAS-AGUINALDO HI-WAY	G/F, LCVN Building, Aguinaldo Hi-Way, Zone IV, Dasmariñas, Cavite City	145,000	December 20, 2025

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
CAVITE-ROSARIO-CEPZ	General Trias Drive, Rosario, Cavite	28,700	February 12, 2029
CAVITE-IMUS BAYAN	GF, J. Antonio Building 1167 Gen. Aguinaldo Highway, Bayan Luma 7, Imus, Cavite	152,369	November 10, 2026
LAGUNA-SOUTHWOODS	Unit A-28, G/F, Southwoods Mall, Barangay San Francisco, Biñan, Laguna	292,164	September 01, 2027
CAVITE-KAWIT-CENTENNIAL ROAD	G/F, Robertson Plaza, Centennial Road, Brgy. Tabon 1, Kawit, Cavite	69,616	November 30, 2029
CAVITE-SILANG-LUCSUHIN	GF, LS-52 Premier Plaza, 7180 E. Aguinaldo Highway, Brgy. Lucsuhin, Silang, Cavite	51,000	June 15, 2025
CAVITE-CARMONA	767 Barangay Maduya, Carmona, Cavite	104,249	April 01, 2028
LAGUNA-CABUYAO-ABI	Asia Brewery Complex, National Hi-way, Barangay Sala, Cabuyao, Laguna	51,967	March 31, 2026
LAGUNA-CALAMBA-PARIAN	G/F, Sta. Cecilia Business Center II, Barangay Parian, Calamba City, Laguna	43,501	October 15, 2026
LAGUNA-SAN PEDRO-NAT'L. HI-WAY	KM. 31, National Highway, Barangay Nueva, San Pedro, Laguna	107,559	February 01, 2028
LAGUNA-CABUYAO-CENTRO MALL	Unit 124, Centro Mall, Barangay Pulo, Cabuyao, Laguna	68,763	June 21, 2025
LAGUNA-BIÑAN	Ammar Commercial Center, Nepa National Highway, Barangay Sto. Domingo, Biñan, Laguna	137,989	March 31, 2028
LAGUNA-SAN PABLO CITY COLAGO	Mary Grace Building, Colago Avenue corner Quezon Avenue, San Pablo City, Laguna	63,319	November 30, 2026
LAGUNA-STA. ROSA	Old National Hi-way, Balibago, Sta Rosa City, Laguna	121,151	June 09, 2026
LAGUNA-CALAMBA CROSSING	G/F, Unit Building, J. Alcasid Business Center, Crossing Calamba City, Laguna	113,626	March 14, 2026
LAGUNA-PASEO DE SANTA ROSA	Blk. 5 Lot 3B, Sta. Rosa Estate 2-A, Balibago, Tagaytay Road, Barangay Sto. Domingo, Sta. Rosa City, Laguna	164,250	May 14, 2026
LAGUNA-UPLB	Andres Aglibut Avenue, UPLB Batong Malake, Los Baños, Laguna	135,082	January 22, 2029
LAGUNA-CALAMBA-BUCAL	G/F, Prime Unit 103 Carolina Center Building, corner Ipil-ipil Street, Barangay Bucal, Calamba, Laguna	343,384	September 01, 2028
LAGUNA-STA. CRUZ-REGIDOR	37 A. Regidor Street, Sta. Cruz, Laguna	104,186	February 01, 2029
QUEZON-GUMACA	Andres Bonifacio Street, Barangay San Diego Poblacion, Gumaca, Quezon	97,978	November 29, 2025
LUCENA CITY-ENRIQUEZ	Enriquez corner Enverga Streets, Poblacion, Lucena City, Quezon	112,000	August 05, 2027
QUEZON-ATIMONAN	Our Lady of the Angels Parish Compund, Quezon Street, Atimonan, Quezon	80,000	July 15, 2025
LAGUNA-SINILOAN	G. Redor Street, Siniloan, Laguna	89,205	January 17, 2026
MARINDUQUE-STA. CRUZ	G/F, RMR Building, Quezon Street, Barangay Maharlika, Santa Cruz, Marinduque	62,000	July 31, 2025
MARINDUQUE-BOAC	Governor Damian Reyes Street, Barangay Murallon, Boac, Marinduque	34,821	July 31, 2029
LUCENA CITY-RED V	Maharlika Highway, Red V, Brgy. Ibabang Dupay, Lucena City, Quezon Province	69,500	February 28, 2025
QUEZON-INFANTA	Mabini cor. Burgos Sts., Poblacion 38, Infanta, Quezon Province	41,650	August 31, 2025
QUEZON-LUCBAN	Concepcion Street, Barangay San Luis, Lucban, Quezon Province	75,000	January 31, 2028
QUEZON-PAGBILAO	G/F, APT Bldg., Maharlika Highway cor. Alvarez St., Brgy. Del Carmen, Pagbilao, Quezon Province	90,758	July 31, 2027
CAMARINES NORTE-DAET-PIMENTEL AVE.	F. Pimentel Avenue corner Dasmariñas Street, Daet, Camarines Norte	96,025	March 16, 2025
NAGA CITY-MAGSAYSAY AVE.	G/F, G Square Building, Magsaysay Avenue corner Catmon II Street, Balatas, Naga City, Camarines Sur	86,366	April 14, 2029
NAGA CITY-PANGANIBAN	DECA Corporate Center, Panganiban Drive, Barangay Tinago, Naga City, Camarines Sur	113,469	February 13, 2028
CAMARINES SUR-PILI	Cu Building, Old San Roque, Pili, Camarines Sur	78,719	August 31, 2027
ALBAY-POLANGUI	National Road, Ubalw, Polangui, Albay	42,000	April 30, 2026
CAMARINES SUR-GOA	Juan Go Building, corner Rizal & Bautista Streets, Goa, Camarines sur	50,139	May 31, 2029
ALBAY-LIGAO	San Jose Street, Dunao, Ligao City, Albay	90,000	September 05, 2027
LEGAZPI CITY-IMPERIAL	35 F. Imperial Street, Legaspi City, Albay	160,714	May 31, 2026
SORSOGON-BULAN	Zone 4, Tomas de Castro Street, Bulan, Sorsogon	46,000	July 05, 2027
SORSOGON CITY-MAGSAYSAY	Doña Nening Building, Magsaysay Street Sorsogon City	147,746	November 18, 2028
LEGAZPI CITY-ALBAY CAPITOL	ANST Building II, Rizal Street, Barangay 14, Albay District, Legaspi City, Albay	80,905	April 30, 2029
CATANDUANES-VIRAC	G/F, Johnson Building, Rizal Avenue Santa Cruz, Virac, Catanduanes	80,000	April 27, 2028
ORIENTAL MINDORO-PINAMALAYAN	G/F, San Agustin Building, Mabini Street, Zone IV, Pinamalayan, Oriental Mindoro	56,131	September 30, 2025
ROMBLON-REPUBLIKA	Republika Street, Barangay 1, Romblon, Romblon	21,495	October 11, 2029
Visayas			
PALAWAN-PUERTO PRINCESA-SAN PEDRO	Unit no. 115, G/F, SJD Center, National Highway, Brgy. San Pedro, Puerto Princesa City, Palawan	120,000	July 31, 2030
CEBU-COLON	G/F, J. Avela Bldg., Collonade Mall Oriente, Colon St., Kalubihan, Cebu City, Cebu	163,242	December 31, 2024
CEBU-FUENTE OSMEÑA	BF Paray Bldg., Osmeña Blvd., Capitol Site, Cebu City, Cebu	140,187	June 30, 2028
CEBU-ESCARIO	G/F, Capitol Square, N. Escario St., Camputhaw, Cebu City, Cebu	78,750	August 27, 2025

**PHILIPPINE NATIONAL BANK
LIST OF BRANCHES UNDER LEASE
AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
CEBU BUSINESS PARK	Unit F, Upper Ground Floor, FLB Corporate Center, Archbishop Reyes Avenue, Cebu Business Park, Cebu Business Park, Cebu City, Cebu	139,783	September 30, 2025
CEBU-BANAWA	One Pavilion Mall, R. Duterte St., Banawa, Cebu City, Cebu	131,900	October 07, 2025
CEBU I.T. PARK	G/F, TGU Tower, Cebu IT Park, Salinas Drive cor. J.M del Mar St., Apas, Cebu City, Cebu	274,008	December 15, 2027
CEBU UPTOWN	G/F, Visayas Community Medical Center Mixed Use Bldg., Osmeña Blvd., Santa Cruz, Cebu City, Cebu	127,543	February 28, 2025
PALAWAN-CORON	45 Don Pedro Street, Barangay 2, Coron, Palawan	59,322	March 31, 2029
CEBU-MABOLO	GF, GPH Central, F. Cabahug Cor. President Roxas Sts., Kasambagan, Cebu City, Cebu	193,595	January 31, 2029
CEBU-CARBON	41-43 Plaridel St., Ermita, Cebu City, Cebu	P93,767.63 31,255.87-Non	October 31, 2029
CEBU-MAMBALING	Super Metro Mambaling, F. Llamas St. corner Cebu South Road, Basak, San Nicolas, Cebu City, Cebu	68,000	October 31, 2026
CEBU-MINGLANILLA	Ward 4, Poblacion, Minglanilla, Cebu	81,939	October 14, 2027
CEBU-TABUNOK NAT'L HI-WAY	Paul Sy Bldg., National Highway, Tabunok, Talisay City, Cebu	80,454	January 16, 2026
CEBU-TABUNOK-TALISAY	Viva Lumber Bldg., Tabunok, Talisay City, Cebu	84,051	April 30, 2025
CEBU-TALAMBAN	Banilad Road, Gov. M. Cuenco Ave., Brgy. Talamban, Cebu City, Cebu	101,376	July 31, 2025
CEBU-BANILAD-MA. LUISA PARK	Gov. M. Cuenco Ave cor. Paseo Saturnino St, Banilad, Cebu City, Cebu	117,315	February 05, 2025
CEBU-BANILAD-FORTUNA	AS Fortuna St., Banilad, Mandaue City, Cebu	75,045	March 31, 2027
CEBU-MANDAUE-A. CORTES	AC Cortes Ave., Ibabaw, Mandaue City, Cebu	66,000	February 28, 2026
CEBU-BANTAYAN	J.P. Rizal St., Ticad, Bantayan Island, Cebu	53,340	June 21, 2025
CEBU-BOGO	Corner R. Fernan & San Vicente Sts., San Vicente, Bogo City, Cebu	39,759	April 16, 2026
CEBU-MANDAUE CENTRO	G/F M2, Gaisano Grand Mall, Mandaue Centro, A. Del Rosario St., Centro, Mandaue City, Cebu	153,655	February 28, 2027
CEBU-CONSOLACION	Consolacion Government Center Extension, Poblacion, Consolacion, Cebu	66,000	August 02, 2025
CEBU-LAPU-LAPU MARKET	Mangubat corner Rizal Sts., Poblacion, Lapu-Lapu City, Cebu	25,640	December 31, 2027
CEBU-MANDAUE-LOPEZ JAENA	JD Building, Lopez Jaena Street, Tipolo, Mandaue City, Cebu	124,330	April 14, 2025
CEBU-MANDAUE-SUBANGDAKU	National Highway, Subangdaku, Mandaue City, Cebu	66,009	August 15, 2026
CEBU-MEPZ	1st Avenue, MEPZ 1, Mactan Island, Lapu-Lapu City, Cebu	12,034	Month-to-Month 1/
CEBU-MANDAUE-NORTH ROAD	Unit 101-A, G/F , Insular Square, Northroad Basak, Tabok, Mandaue City, Cebu	113,920	February 28, 2028
CEBU-LAPU-LAPU-PUSOK	M.L. Quezon National Highway, Pusok, Lapu-Lapu City, Cebu	31,599	February 28, 2026
CEBU-LAPU-LAPU-MARIBAGO	Unit B, JTO Building, ML Quezon National Highway, Looc, Maribago, Lapu-Lapu City, Cebu	117,707	July 05, 2026
CEBU-LILOAN	Units 11-12, G/F, Gaisano Grand Liloan, Poblacion, Liloan, Cebu	56,250	February 28, 2026
CEBU-CARCAR	Jose Rizal St., Poblacion 1, Carcar City, Cebu	72,749	February 21, 2026
TAGBILARAN-ISLAND CITY MALL	Upper Ground Floor 33-34, Island City Mall, Dampas District, Dampas, Tagbilaran City, Bohol	73,270	July 31, 2026
TAGBILARAN-ALTURAS MALL	G/F, Stall 10, Alturas Mall, B. Inting St., C.P. Garcia Ave., Poblacion 2, Tagbilaran City, Bohol	82,644	February 21, 2026
BOHOL-UBAY	G/F, LM Commercial Bldg., National Hi-way cor. Tan Pentong St., Poblacion, Ubay, Bohol	93,031	June 10, 2026
BOHOL-PANGLAO ISLAND	G/F, Cherry's Home Too Bldg., Hontanosas Road, Brgy. Tawala, Panglao Island, Bohol	104,000	January 31, 2029
BOHOL-TALIBON	UG 5, Talibon Commercial Center 1, Poblacion, Talibon, Bohol	38,393	December 19, 2024
CEBU-MOALBOAL	G/F, Stall MBL-GFS 7, 8, 9, Gaisano Grand Mall, Poblacion East, Moalboal, Cebu	54,000	April 30, 2025
NEGROS OR.-BAIS CITY	Rosa Dy-Teves Bldg., Quezon St., Barangay 1, Bais City, Negros Oriental	53,571	November 30, 2026
DUMAGUETE CITY-SOUTH ROAD	Manhattan Suites, South Road, Calindagan, Dumaguete City, Negros Oriental	95,976	October 14, 2027
BACOLOD-EAST-BURGOS	G/F, Besca Properties Bldg., Burgos Extension, Villamonte, Bacolod City, Negros Occidental	68,857	October 02, 2029
BACOLOD-LACSON	10th Lacson St., Brgy. 4, Bacolod City, Negros Occidental	100,000	October 12, 2025
BACOLOD-HILADO	Hilado corner Malaspina Sts., Villamonte, Bacolod City, Negros Occidental	63,038	February 19, 2027
BACOLOD-LIBERTAD	Penghong Building, Libertad St. near Poinsetia St., Barangay 32, Bacolod City, Negros Occidental	54,698	November 03, 2026
BACOLOD-NEGROS CYBER CENTRE	Negros First Cyber Centre Bldg., , Lacson corner Hernaez Sts., Brgy. 39, Bacolod City, Negros Occidental	58,000	June 30, 2026
NEGROS OCC.-LA CARLOTA CITY	Corner La Paz and Rizal Sts., 2 Poblacion, La Carlota City, Negros Occidental	48,210	May 31, 2026
NEGROS OR.-GUIHULNGAN	New Guihulngan Public Market, S. Villegas St., Poblacion, Guihulngan, Negros Oriental	25,000	February 08, 2026
ILOILO-DIVERSION ROAD	Unicom Bldg., Sen. Benigno Aquino Ave., Brgy. San Rafael, Iloilo City, Iloilo	66,000	October 31, 2029
ILOILO-ALDEGUER	St. Catherine Arcade, Aldeguer St., Brgy. Magsaysay, Iloilo City, Iloilo	80,000	November 15, 2026
ILOILO-GEN. LUNA	Go Sam Bldg., Gen. Luna St., Brgy. Inday, Iloilo City, Iloilo	82,770	December 17, 2026
ILOILO-LA PAZ	G/F, Inayan Bldg., Rizal Street, Brgy. Laguda, Iloilo City, Iloilo	58,036	December 31, 2028
ILOILO-MIAG-AO	One TGN Building, Corner Noble & Sto. Tomas Sts., Brgy. Tacas, Miag-ao, Iloilo	51,343	May 14, 2028
ILOILO-STA. BARBARA	Liz complex , Bangga Dama, Bgy. Bolong Oeste, Sta. Barbara, Iloilo	74,699	October 31, 2028
ILOILO-JARO	#8 Lopez Jaena St., Jaro, Iloilo City, Iloilo	85,693	May 02, 2026

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AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
ILOILO-JARO HECHANOVA	P.T. Española Building, Gran Plains Subdivision, M.V. Hechanova, Tabunok Suba, Jaro, Iloilo	57,294	August 29, 2026
AKLAN-CATICLAN	EDSA Building, National Road, Caticlan, Malay, Aklan	104,186	September 30, 2025
SOUTHERN LEYTE-SOGOD	Osmeña St., Zone 2, Sogod, Southern Leyte	50,415	November 30, 2025
LEYTE-PALO	Units 3B & 4A, Palo Commercial Center, Maharlika Highway, Brgy. Baras, Palo, Leyte	210,049	March 05, 2028
EASTERN SAMAR-GUIUAN	Guimbaolibot Ave., Lactason St., Brgy. 4, Guiuan, Eastern Samar	65,346	November 05, 2029
LEYTE-ORMOC CITY-COGON	G/F, Gabas Building, Lilia Avenue, Brgy. Cogon, Ormoc City, Leyte	60,608	October 14, 2027
LEYTE-PALOMPON	G/F, Municipal Bldg., Rizal Street, Brgy. Ipil 1, Palompon, Leyte	28,000	May 16, 2028
SOUTHERN LEYTE-HINUNANGAN	Corner National Highway and Washington Street, Brgy. Salog, HINUNANGAN, Southern Leyte	Rent Free - 1st 18 months	August 19, 2043
LEYTE-BAYBAY CITY-VSU	G/F, Technology Business Incubation Center Bldg., Visayas State University, Brgy. Pangasugan, BAYBAY CITY, Leyte	P7,500	August 02, 2028
Mindanao			
DAVAO-AGDAO	G/F, Chavez Bldg., Lapu-Lapu St., Agdao, Davao City, Davao del Sur	142,944	November 01, 2029
DAVAO-ATENEO	G/F, Community Center, Ateneo de Davao University, E. Jacinto St., Brgy. 32-D Poblacion, Davao City, Davao del Sur	61,800	October 31, 2025
DAVAO-BANGYO	Roman Paula Building, C. Bangoy St., 3-A, Davao City, Davao del Sur	75,893	July 20, 2029
DAVAO-CABAGUIO AVE.	HPC Bldg., Cabaguio Avenue, Brgy. Gov. Paciano, Davao City, Davao del Sur	52,488	August 04, 2026
DAVAO-CALINAN	LTH Building, Davao-Bukidnon Highway, Calinan, Davao City, Davao del Sur	55,600	November 30, 2027
DAVAO-DIVERSION ROAD	Doors 2 & 3, Gimenes Bldg., Carlos Garcia Hi-way (Diversion Road), Buhangin, Davao City, Davao del Sur	60,613	July 14, 2029
DAVAO-GAISANO CABANTIAN	G/F, Units 22-24, Grand City Gate Mall, Cabantian corner Tiggato Roads, Buhangin, Davao City, Davao del Sur	84,000	October 31, 2028
DAVAO-LANANG	G/F, Twin Ace Holding Corp. Building, Km. 7, Lanang, Brgy. R. Castillo, Agdao District, Davao City, Davao del Sur	50,000	June 25, 2026
DAVAO-MA-A	GF & 2F, Valrey Building, 879 Ma-a Road, District 1, Ma-a, Davao City, Davao del Sur	90,758	April 21, 2027
DAVAO-MAGSAYSAY-LIZADA	G/F, Yao Building, cor. R. Magsaysay Avenue & C. Lizada Sts., Brgy. 27-C Poblacion, Davao City, Davao del Sur	157,201	May 09, 2028
DAVAO-MATINA-GSIS	HIJ Building, McArthur Highway, Brgy. Matina, Davao City, Davao del Sur	80,896	April 02, 2028
DAVAO-MONTEVERDE CHINATOWN	No. 42, G/F, Guilberto Go Building, cor. T. Monteverde & F. Bangoy Sts., Brgy. 27-C Poblacion, Davao City, Davao del Sur	129,789	March 31, 2025
DAVAO-MONTEVERDE-SALES	G/F, Mintrade Building, cor. T. Monteverde & G. Sales Sts., Brgy. 27-C Poblacion, Davao City, Davao del Sur	168,000	April 01, 2027
DAVAO-OBRERO	G/F, JJ Commune Bldg., Loyola St., Bo. Obrero, Davao City, Davao del Sur	64,000	July 01, 2025
DAVAO-SAMAL ISLAND	Purok 1, Sitio Pantalan, Brgy. Miranda, Babak District, ISLAND GARDEN CITY OF SAMAL, Davao del Norte	57,367	July 01, 2028
DAVAO-SASA	G/F, Carmart Building, Km. 8, Brgy. Bario Pampanga, Sasa, Davao City, Davao del Sur	72,157	October 15, 2028
DAVAO-STA. ANA	G/F, Bonifacio Tan Building, cor. Rosemary & F. Bangoy Sts., Brgy. Kapitan Tomas Monteverde, Davao City, Davao del Sur	74,221	April 30, 2028
DAVAO-TORIL	Anecita G. Uy Bldg., Saavedra St., Toril, Davao City, Davao del Sur	86,167	June 02, 2027
GENERAL SANTOS-KCC MALL	Unit 018 Lower G/F, KCC Mall of Gensan, Jose Catolico Sr. Ave., Brgy. Lagao, General Santos City, South Cotabato	291,660	May 31, 2026
GENERAL SANTOS-P. ACHARON	Pedro Acharon Blvd., Brgy. Dadiangas South, General Santos City, South Cotabato	32,320	June 30, 2027
GENERAL SANTOS-SANTIAGO	RD Realty Development Bldg., Santiago Blvd., Brgy. Dadiangas South, General Santos City, South Cotabato	85,517	February 01, 2028
SULTAN KUDARAT-ISULAN	Sen. Ninoy Aquino Avenue, Purok Sto. Niño, Brgy. Kalawag III, Isulan, Sultan Kudarat	54,636	October 03, 2028
AGUSAN DEL SUR-BAYUGAN CITY	Mendoza Square, Narra Avenue, Poblacion, Bayugan City, Agusan del Sur	52,674	August 31, 2029
BUTUAN CITY-J.C. AQUINO	JC Aquino Avenue, Bayanihan, Butuan City, Agusan del Norte	75,701	May 31, 2029
DAVAO DEL NORTE-TAGUM-APOKON	GL, Doors 4-6, Gaisano Grand Arcade, Apokon Road corner Lapu-Lapu Ext., Brgy. Visayas Village, Tagum City, Davao del Norte	82,096	August 16, 2027
DAVAO DEL NORTE-PANABO	G/F, Gaisano Mall of Panabo, Quezon Street, Brgy. Sto Niño, Panabo City, Davao del Norte	66,145	November 30, 2026
SIARGAO ISLAND-DAPA	Dapa Commercial Center, Juan Luna St., Poblacion, Brgy. 7, Siargao Island, Dapa, Surigao del Norte	14,000	May 20, 2028
BUKIDNON-MARAMAG	Good Force Trading Inc. Building, Sayre Highway, North Poblacion, Maramag, Bukidnon	61,000	September 30, 2026
CDO-CARMEN	REGO Building, 296 Agoho Drive, Carmen, Cagayan De Oro City, Misamis Oriental	71,429	July 01, 2025
CDO-LAPASAN HIGHWAY	G/F, RMT Building, Lapasan Highway, Lapasan, Cagayan De Oro City, Misamis Oriental	112,740	January 17, 2027
CDO-TIN-AO	National Highway Tin-ao, Agusan, Cagayan De Oro City, Misamis Oriental	58,036	February 22, 2026
MALAYBALAY CITY-RIZAL	Flores Bldg., Corner Rizal & Tabios Sts., Brgy. 5, Malaybalay City, Bukidnon	83,738	December 31, 2027
VALENCIA CITY-MABINI	Lavina Bldg., Mabini Street, Poblacion, Valencia City, Bukidnon	30,000	February 28, 2026
ILIGAN CITY-PALA-O	G/F, Iligan Day Inn Bldg., Benito S. Ong St., Pala-o, Iligan City, Lanao del Norte	66,968	September 05, 2028
MARAWI CITY-MSU CAMPUS	Dimaporo Gymnasium, MSU-Main Campus, Brgy. Rapasun/Sikap, Marawi City, Lanao del Sur	25,000	January 23, 2039
ZAMBOANGA DEL NORTE-SINDANGAN	Corner Rizal & Bonifacio Sts., Poblacion, Sindangan, Zamboanga del Norte	98,908	August 12, 2027
ZAMBOANGA DEL NORTE-LILOY	Venus Uy Bldg., Baybay, Liloy, Zamboanga del Norte	40,000	April 30, 2029
ZAMBOANGA-CLIMACO	JNB Bldg., Buenavista St., Canelar, Zamboanga City, Zamboanga Del Sur	117,990	June 24, 2027

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AS OF DECEMBER 31, 2024**

Exhibit II (b)

BRANCH NAME	ADDRESSES	MONTHLY RENTAL	EXPIRY DATE
ZAMBOANGA-KCC MALL	Upper Ground Floor, KCC Mall de Zamboanga, Gov. Camins St., Brgy. Camino Nuevo, Zamboanga City, Zamboanga Del Sur	229,350	November 21, 2025
ZAMBOANGA-MCLL HIGHWAY	G/F, AUROMA Building, Maria Clara Lorenzo Lobregat Highway, Buenbrazo Drive Zone 1, Guiwan, Zamboanga City, Zamboanga Del Sur	60,000	September 24, 2027
ZAMBOANGA-SAN JOSE	San Jose Road, San Jose Gusu, Zamboanga City, Zamboanga Del Sur	35,000	April 21, 2029
ZAMBOANGA-VETERANS AVENUE	G/F Annex Bldg., Zamboanga Doctors' Hospital, Veterans Ave., Tetuan, Zamboanga City, Zamboanga Del Sur	112,000	May 16, 2027

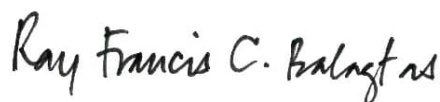
1/ renewal of contract is still in process

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Philippine National Bank
PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine National Bank and its Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 25, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465263, January 2, 2025, Makati City

February 25, 2025

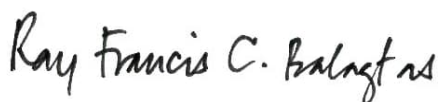


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Philippine National Bank
PNB Financial Center
President Diosdado Macapagal Boulevard
Pasay City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine National Bank and its Subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 25, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10465263, January 2, 2025, Makati City

February 25, 2025



PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

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PART I
Schedule A

PHILIPPINE NATIONAL BANK (PARENT COMPANY)
AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2024
(In thousands)

Unappropriated Retained Earnings, beginning of reporting period		₱29,294,067
Add: <u>Category A</u> - Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	₱—	
Effect of restatements or prior period adjustments	—	
Others - Recycling of cumulative gains of derecognized equity securities at fair value through other comprehensive income (FVOCI) from other comprehensive income (OCI)	901,869	901,869
Less: <u>Category B</u> - Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	289,107	
Effect of restatements or prior-period adjustments	—	
Others – Gains realized from share swap transaction	894,900	1,184,007
Unappropriated Retained Earnings, as adjusted		29,011,929
Add: Net income for the current year		21,036,661
Less: <u>Category C.1</u> - Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	941,773	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	814,721	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Unrealized fair value gain of investment property	5,308,143	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	—	
Sub-total		<u>7,064,637</u>
Add: <u>Category C.2</u> - Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	—	
Realized fair value gain of investment property	—	
Other realized gains or adjustments to the retained earnings as a of certain transactions accounted for under the PFRS Accounting Standards	—	
Subtotal		<u>—</u>

Add: Category C.3 - Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	₱559,018
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	5,982
Reversal of previously recorded fair value gain of investment property	4,326,663
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards, previously recorded	—
Sub-total	₱4,891,663

Adjusted Net Income

18,863,687

Add: Category D - Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add: Category E - Adjustments related to relief granted by the SEC and BSP

Amortization of the effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others	—
Sub-total	—

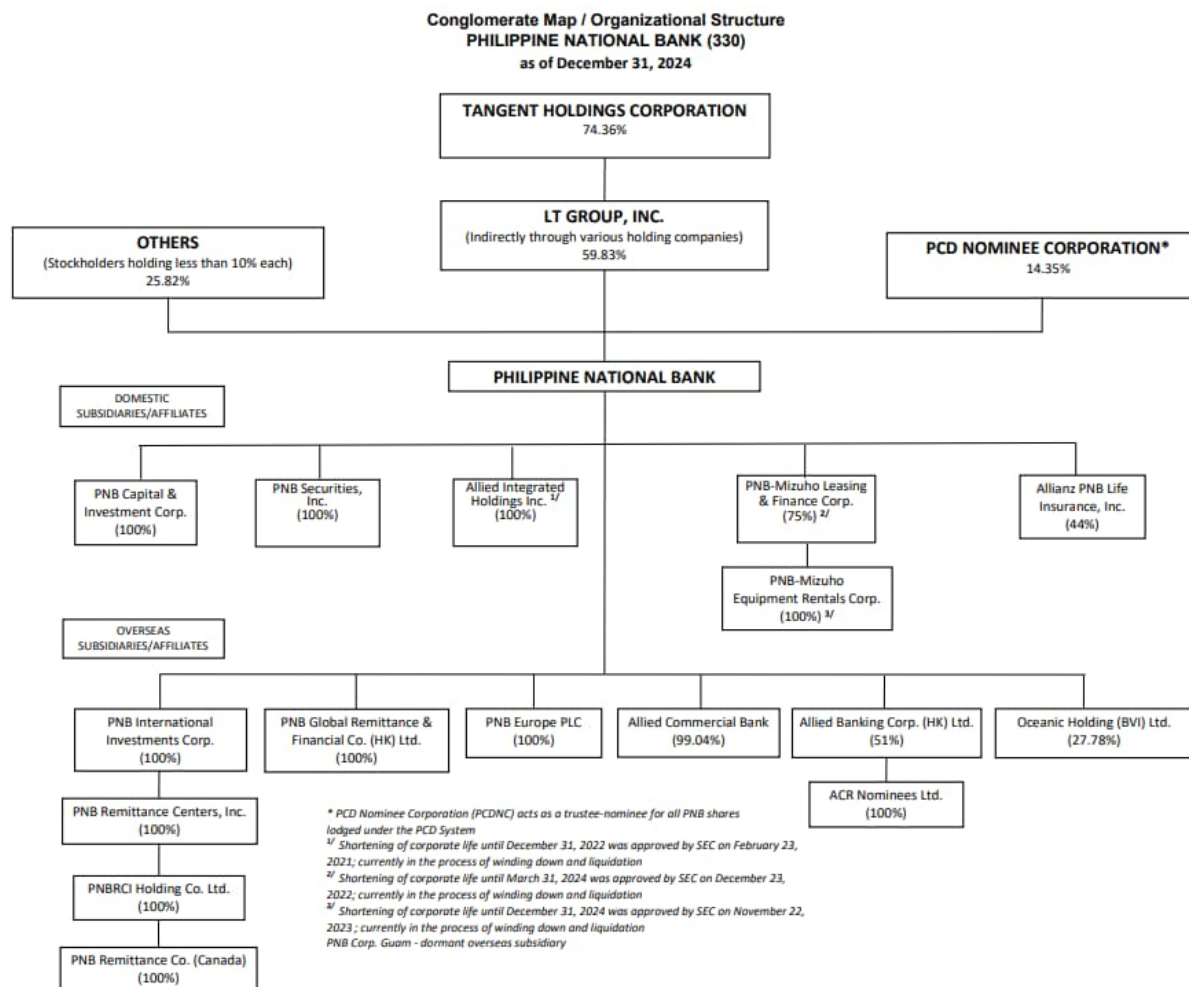
Add: Category F - Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(647,715)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable	—
Adjustment due to deviation from PFRS Accounting Standards/ GAAP - gain (loss)	—
Others	—
Sub-total	(647,715)

Total Retained Earnings, end of the reporting period available for dividend

₱47,227,901

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
December 31, 2024



* PCD Nominee Corporation (PCDNC) acts as a trustee-nominee for all PNB shares lodged under the PCD System

^{1/} Shortening of corporate life until December 31, 2022 was approved by SEC on February 23, 2021; currently in the process of winding down and liquidation

^{2/} Shortening of corporate life until March 31, 2024 was approved by SEC on December 23, 2022; currently in the process of winding down and liquidation

^{3/} Shortening of corporate life until December 31, 2024 was approved by SEC on November 22, 2023; currently in the process of winding down and liquidation

PNB Corp. Guam - dormant overseas subsidiary

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024

Financial Assets at Fair Value through Profit or Loss
(Amounts in thousands except for Number of Shares)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
<i>Government securities</i>				
Banko Sentral ng Pilipinas	—	₱6,030,000	₱6,019,627	₱—
Fixed Rate Treasury Notes	—	3,949,606	4,195,943	193,770
Republic of the Philippines (ROP) Bonds	—	249,827	239,806	13,038
Retail Treasury Bonds	—	5,180,534	5,143,528	277,914
Treasury Bills	—	605,828	582,917	—
US Treasury Notes	—	—	—	4,204
	—	16,015,795	16,181,821	488,926
<i>Private debt securities</i>				
Petron Preferred Shares	—	—	—	46,740
San Miguel Global Power Holdings Corp.	—	2,300	2,195	16,761
SM Prime Holdings, Inc.	—	500,950	499,831	24,399
Vista Land & Lifescapes, Inc.	—	148,000	147,165	8,436
	—	651,250	649,191	96,336
<i>Equity securities</i>				
GT Capital Pref Series B	1,000	824	990	—
San Miguel Corp - Pref 2I	25,970	1,909	1,876	—
	26,970	2,733	2,866	—
<i>Derivatives</i>				
3 Barracuda Energy Corp.	—	1,349,721	10,801	—
Add Vantage Global Holdings Inc	—	11,569	347	—
Allied Banking Corporation - Hongkong	—	—	812	—
Apex Petrochem OPC	—	819,175	10,844	—
Australia and New Zealand Bank- Manila	—	2,030,500	60,328	—
Banco de Oro Private Bank	—	433,838	9,592	—
Banco de Oro Universal Bank	—	14,542,343	152,154	—
Bank of China- Manila	—	57,890	45	—
Bank of the Philippine Islands	—	578,450	5,575	—
China Banking Corporation	—	2,689,715	28,531	—
Chinatrust Philippines Commercial Bank Corp.	—	294,900	5,141	—
Citibank N.A.- Manila	—	3,353,940	56,555	—
Den Norske Bank As Oslo	—	8,677	1	—
Gicar Construction, Inc.	—	23,716	1,866	—
Goldcrest Marketing Corporation	—	31,408	98	—
Hongkong and Shanghai Banking Corp.	—	1,829,320	35,878	—
Individuals	—	950,610	67,919	10,750
Internationale Nederlanden Bank- Manila	—	5,880,325	82,302	—
JPMorgan Chase Bank- Manila	—	5,891,830	105,005	—
Landbank of the Philippines	—	173,580	275	—
Metropolitan Bank & Trust Company	—	6,602,335	100,209	—
Pasay Harbor City Corporation	—	2,036,619	73,174	—

(Forward)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
Petron Corporation	—	₱7,257,652	₱70,826	₱—
Philippine Business Bank	—	173,615	80	—
Philippine National Bank- Singapore	—	26,048	25	—
Republic of the Philippines	—	15,911,713	—	—
Rizal Commercial Banking Corp.	—	2,629,075	30,194	—
Security Bank Corporation	—	3,694,670	44,681	—
Standard Chartered Bank- London	—	1,472,398	3,131	—
Standard Chartered Bank- Manila	—	7,035,530	110,113	—
The Roman Catholic Archbishop of Caceres	—	10,701	318	—
UBS AG Zurich	—	207,271	2,819	—
Unioil Petroleum Phils., Inc.	—	468,628	5,160	—
Union Bank of the Philippines	—	1,741,275	5,498	—
United Overseas Bank	—	1,963	1,963	—
Wells Fargo Bank N.A.	—	242,209	4,840	—
Xchanged Inc.	—	23,138	7	—
	—	90,486,347	1,087,107	10,750
<i>Total Financial Assets at Fair Value through Profit or Loss</i>				
	26,970	₱107,156,125	₱17,920,985	₱596,012

Financial Assets at Fair Value through Other Comprehensive Income
(Amounts in thousands except for Number of Shares)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
<i>Government securities</i>				
Bangko Sentral ng Pilipinas	—	₱66,447,280	₱66,195,702	₱5,723,943
China National Offshore Oil Corp LTD	—	—	—	15,189
Fixed Rate Treasury Notes	—	50,755,021	51,405,452	1,924,683
Kingdom of Saudi Arabia	—	2,950,095	2,933,248	99,303
Monetary Authority of Singapore Bills	—	340,540	339,016	11,370
Power Sector Assets and Liabilities Management Corporation	—	—	—	16,891
Republic of Indonesia	—	219,661	218,512	1,252
Republic of the Philippines (ROP) Bonds	—	7,503,318	7,033,595	167,775
Retail Treasury Bonds	—	39,114,000	38,629,899	1,575,024
United States of America	—	1,076,801	1,069,349	136,248
	—	168,406,716	167,824,773	9,671,678
<i>Private debt securities</i>				
Aboitiz Power Corp.	—	562,300	554,404	29,665
AC Energy Finance International Limited	—	2,360,076	1,578,263	115,481
Arthaland Corporation	—	3,525	3,517	1,347
Ayala Land Inc.	—	394,530	395,087	25,128
Banco De Oro	—	—	—	593
Export-Import Bank of Korea	—	—	—	24,606
First Pacific Company Limited	—	896,598	874,021	-
First Pacific Company Resources	—	—	—	29,337
Globe Telecoms, Inc.	—	3,600,619	2,945,137	120,160
Hutchison Whampoa Limited	—	—	—	58,930
International Container Terminal Services Inc.	—	3,193,911	3,074,470	103,077
Manila Water Co. Inc.	—	1,775,263	1,696,831	42,271
Megaworld Corp	—	17,354	16,764	11,589
Petron Corporation	—	2,447,017	2,437,644	127,545
Rizal Commercial Banking Corp	—	289,225	291,643	23,029
San Miguel Global Power Holdings Corp.	—	—	—	5,783
Sinopec Group Overseas Development Corp	—	200,722	199,434	2,859
SM Investments Corp	—	—	—	5,934
SM Prime Holdings, Inc.	—	15,000	14,827	703
SMC Luzon Tollway Corp	—	1,500,000	1,496,158	7,511
STI Education Services Group, Inc.	—	—	—	662
	—	17,256,140	15,578,200	736,210
<i>Equity securities</i>				
Alliedbankers Insurance Corporation	25,000,000	20,000	20,000	—
Alphaland Balesin Island Resort Corporation	1	2,500	2,500	—
Apo Golf & Country Club Inc.	1	100	315	—
Asia Pacific Trust & Development	—	1,500	—	—
Bacnotan Steel Industries Inc.	3,345,000	—	—	—
Baguio City Country Club	1	60	6,000	—
Bancnet, Incorporated	49,999	5,000	5,000	—
BAP Credit Guaranty Corporation	29,800	1,138	1,138	—
Bayan Telecommunication	8,244	8	—	—
Bayan Telecommunication 31% Tranche B.	83,997	14,851	—	—
Camp John Hay	1	650	250	—
Camp John Hay Golf Club	2	160	500	—

(Forward)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
Capitol Hills Golf and Country Club, Inc.	10	P400	P400	P—
Cebu Country Club, Inc.	1	29	18,000	—
Club Filipino	2	112	700	—
Cruz Telephone Company Inc.	30	3	—	—
Development Academy of the Philippines	1,500	1,500	—	—
Eagle Ridge Golf & Country Club Inc.	30	3,450	19,500	—
Eastridge Golf Course & Village (A)	2	1,800	1,517	—
Evercrest Golf Club Resort Inc.	2	500	—	—
Evercrest Golf Club Resort Inc. (A)	2	1,000	1,000	—
Fairways & Bluewater Resort Golf & Country Club Inc.	294	359,695	51,760	—
Fastech Synergy Philippines Inc	1,337,807	8,519	—	—
Fil-Am Resources Inc.	2,500,000	27	—	—
Forest Hills Golf and Country Club Inc.	1	170	170	—
Golf & Country Club of Iligan	1	1	—	—
Heavenly Garden Dev. Corp.	5,000	500	500	—
Iloilo Golf & Country Club	1	88	14	—
Inco Mining Corp.	46,875	2	—	—
Infanta Minerals	1,000,000	10	—	—
Lepanto Consolidated Mining Co. (A)	4,973	1	—	—
Lepanto Consolidated Mining Co. (B)	1,776	—	—	—
LGU Guarantee Corp.	100,000	10,000	2	—
Luisita Golf & Country Club Inc.	1	840	400	—
Makati (Sports) Club Inc. (A)	1	210	1,500	—
Manila Electric Co.	8,884	89	1	—
Manila Golf & Country Club Inc.	2	27,027	320,000	—
Manila Polo Club	1	2,600	50,000	—
Manila Southwoods Golf & Country Club Inc. (A)	1	850	5,654	—
Manila Southwoods Golf & Country Club Inc. (B)	1	1,500	6,000	—
Marikudo Country Club Inc.- Iloilo City	1	18	—	—
Mimosa Golf & Country Club	1	827	400	—
Mount Malarayat Golf & Country Club	15	35,380	15,000	—
Mount Malarayat Golf Club C	1	—	1,000	—
Mount Malarayat I	1	1,512	1,000	—
Negros Occidental Golf & Country Club	5	100	150	—
Northern Telephone Company, Inc	1,800	18	—	—
Orchard Golf & Country Club, Inc.	2	2,200	4,500	—
PAL Holdings Inc.	322,102,299	1,908,068	1,552,666	—
Palicpican Beach and Sport Club	2	170	170	—
Paper Industries Corporation of the Philippines	13,525	19	—	—
Petron Corporation	—	84,340	88,557	—
Philex Mining Corp.	151	—	1	—
Philippine Central Depository & Trust Corp.	31,690	2,392	6,431	—
Philippine Central Depository Inc.	28,466	3,692	5,776	—
Philippine Clearing House Corporation	42,000	4,200	2,101	—
Philippine Columbian Association	1	40	90	—
Philippine Dealing System-Fixed Income	73,000	7,300	14,813	—
Philippine Dealing System-Holding	97,436	7,300	19,772	—
Philippine Overseas Drilling & Oil Dev't	695,625	31	5	—
Philippine Racing Club, Inc.	30,331,103	319,083	209,285	—
Philippine Telegraph & Telephone Corporation	5,000,650	10	—	—

(Forward)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
Philippine Electric Corporation	202,440	₱95	₱—	₱—
Philippine Long Distance Company	401	4	1	—
Philippine Oil Development Co., Inc.	500,000	13	—	—
PICOP Resources Inc.	19,008,000	798	—	—
PLDT Preferred Shares	108,375	1,084	—	—
PNB Holdings Corporation	229,967,290	22,989,974	25,132,435	—
Primo Oleo Chemicals Inc.	6,638,151	66,382	66,382	—
Proton Chemical Industries Common Shares	44,419	—	—	—
Pueblo De Oro Golf and Country Club, Inc.	2	1,411	718	—
Puerto Azul Sports & Beach Club	2	170	500	—
Quezon City (Sports) Club, Inc.	1	32	714	—
Republic Telephone Co. Inc.	6,052	5	—	—
Riviera Golf Club Inc.	2	2,627	4,070	—
Rural Bank of Ibayay, Inc.	340	11	16	—
Santa Elena Golf & Country Club	1	852	24,000	—
Santa Elena Golf Club-A	2	4,600	48,000	—
Sierra Grande Country Club Inc.	100	32	32	—
Southern Iloilo Telephone Co. Inc.	20	2	—	—
Subic Bay Golf & Country Club Inc.	1	950	—	—
Subic Bay Yatch Club	58	93,000	11,600	—
Tagaytay Highlands International Golf Club, Inc.	1	500	2,679	—
Tagaytay Midlands Golf Club Inc.	1	500	2,555	—
Tayud Golf & Country Club, Incorporated	1	6	—	—
Universal Rightfield Property Holdings Inc.	2,883,000	69	—	—
Valle Verde Country Club Inc.	1	—	450	—
Valley Golf & Country Club Inc.	4	106	16,000	—
Victoria Golf & Country Club	1	110	120	—
Wack Wack Golf & Country Club	7	74,790	595,000	—
Western Minolco Corporation	11,382,000	17	—	—
	662,682,691	26,081,730	28,339,810	—
Total Financial Assets at Fair Value Through Other Comprehensive Income	662,682,691	₱211,744,586	₱211,742,783	₱10,407,888

Investment Securities at Amortized Cost
(Amounts in thousands except for Number of Shares)

Name of Issuing Entity and Association of each Issue	Number of Shares	Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet based on bid prices on the balance sheet date	Income received and accrued
<i>Government securities</i>				
Bangko Sentral ng Pilipinas	—	₱231,380	₱259,154	₱9,144
China National Offshore Oil Corp Ltd.	—	809,830	805,446	76,028
Fixed Rate Treasury Notes	—	46,975,077	49,782,896	3,163,430
Kingdom of Saudi Arabia	—	173,535	173,056	8,274
Landbank of the Philippines	—	114,103	111,594	10,311
Power Sector Assets & Liabilities Management Corporation	—	867,675	986,901	73,239
Republic of Indonesia	—	2,839,310	2,867,706	112,044
Republic of the Philippines (ROP) Bonds	—	8,986,358	8,946,816	298,939
Retail Treasury Bonds	—	31,855,585	32,169,239	1,759,866
Treasury Bills	—	262,000	260,590	23,156
United States of America	—	57,845	55,685	86,574
US Treasury Notes	—	387,562	381,987	12,113
	—	93,560,260	96,801,070	5,633,118
<i>Private debt securities</i>				
AC Energy Finance International Limited	—	—	—	2,503
Agricultural Bank of China LTD HK	—	—	—	7,039
AT&T Inc.	—	—	—	925
Ayala Land Inc.	—	641,900	641,616	38,258
Bank of China	—	462,760	464,727	90,117
Bank of the Philippine Island	—	—	—	1,691
Export- Import Bank of Korea	—	520,605	520,382	15,393
Filinvest Development Cayman Islands	—	2,024,575	2,021,143	85,039
International Container Terminal Services Inc.	—	15,618	15,656	898
Jollibee Worldwide PTE LTD- SG	—	5,715,086	5,697,426	220,725
Kookmin Bank Co Ltd	—	—	—	39,629
Korea Development Bank	—	231,380	232,334	5,235
Maynilad Water Services	—	479,680	479,144	15,972
Pilipinas Hino Incorporated	—	6,988	—	—
Rizal Commercial Banking Corp	—	—	—	7,239
Sinopec Group Overseas Development LTD	—	57,845	58,208	3,422
SM Prime Holdings, Inc.	—	—	—	5,900
SMC Tollways Corp	—	3,500,000	3,496,376	17,525
State Bank of India	—	—	—	14,191
Vista Land and Lifescapes, Inc	—	2,000,000	1,994,300	165,000
	—	15,656,437	15,621,312	736,701
<i>Total Investment Securities at Amortized Cost</i>	—	₱109,216,697	₱112,422,382	₱6,369,819

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES
AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2024

(In thousand pesos)

Name and Designation of Debtor	Balance at Beginning of Period (12/31/2023)	Net Releases	Net Collections and Other Movements	Amounts Written-off	Balance at End of Period (12/31/2024)	Due Within One Year	Due Beyond One Year
Activasia Inc.	₱118,388	₱333,378	(₱304,759)	₱–	₱147,007	₱140,000	₱7,007
Alcazar, Raul Cartel	475	–	(217)	–	258	–	258
Asia Brewery (Xiamen) Ltd.	467,101	–	(23,207)	–	443,894	–	443,894
Bernabe, Barbie Ann Gonzales	–	438	(74)	–	364	–	364
BNP Paribas of Tokyo – PAL Deal	445,665	–	(64,550)	–	381,115	–	381,115
Build Erect Corporation	111,115	–	(22,620)	–	88,495	–	88,495
Bumanlag, Judith Ernacio	–	843	(196)	–	647	–	647
Cawit, Rachel Hechanova	–	910	(176)	–	734	–	734
Ching, Dennis Lee	–	1,781	(307)	–	1,474	–	1,474
Citicore, Renewable Energy Corporation	–	5,000,000	–	–	5,000,000	–	5,000,000
Danz Grand Marketing Inc.	–	12,000	(12,000)	–	–	–	–
Dobles, Christian Jerome Ordonez	2,006	–	(2,006)	–	–	–	–
EEI Corporation	207,365	–	(207,365)	–	–	–	–
Espiritu, Reynaldo Chua	–	3,775	(808)	–	2,967	–	2,967
Eton Properties (Xiamen) Ltd.	640,269	–	6,049	–	646,318	–	646,318
Facun, Jillian Marie Villanueva	–	482	(95)	–	387	–	387
Foremost Farm	80,750	–	(7,000)	–	73,750	–	73,750
Franco, Karl Fernand Ramos	–	1,231	(181)	–	1,050	–	1,050
Full Circle Craft Distillers Co., Inc.	13,000	13,000	(13,000)	–	13,000	13,000	–
Golden Investment TMK	9,412,902	–	(8,613,507)	–	799,395	–	799,395
Horizon Land Property Development.	2,000,000	–	(2,000,000)	–	–	–	–
Lao, Helen Ong	–	6,600	(915)	–	5,685	3,000	2,685
Lexus Manila Inc.	–	100,000	–	–	100,000	100,000	–
Lisbona, Manuel Antonio Grageda	2,039	3,600	(3,077)	–	2,562	2,562	–
Macroasia Airport Services Corporation	100,368	–	(100,368)	–	–	–	–

(Forward)

Name and Designation of Debtor	Balance at Beginning of Period (12/31/2023)	Net Releases	Net Collections and Other Movements	Amounts Written-off	Balance at End of Period (12/31/2024)	Due Within One Year	Due Beyond One Year
Macroasia Corporation	P=	P100,000	(P50,000)	P=	P50,000	P50,000	P=
Macroasia SATS Food Industries Corp.	314,630	100,000	(212,646)	—	201,984	105,556	96,428
Majent Management Development Corporation	740	—	(203)	—	537	—	537
Marero, Apolomarco Gatbalayan	—	1,364	(228)	—	1,136	—	1,136
Mendoza, Roberto Santiago	—	772	(131)	—	641	—	641
Metro Pacific Investments Corporation	15,640,750	—	(161,500)	—	15,479,250	—	15,479,250
NAIC Water Supply Corporation	145,833	—	(79,166)	—	66,667	66,667	—
Next Century Building System	1,332	1,312	(2,644)	—	—	—	—
Ng, David Go	32,575	29,100	(31,050)	—	30,625	30,625	—
Petron Corporation	15,200,000	97,872,598	(113,072,598)	—	—	—	—
Phoenix Aviation Leasing Limited	4,485,509	—	(358,026)	—	4,127,483	—	4,127,483
Prima Aircraft Leasing Limited	1,264,858	—	(119,648)	—	1,145,210	—	1,145,210
Rapid Movers and Forwarders Co., Inc.	34,511	16,007	(20,755)	—	29,763	7,557	22,206
San Miguel Foods Inc	2,150,000	86,989,524	(79,944,524)	—	9,195,000	9,195,000	—
Seventy 7 Seeds, Inc.	34,189	—	(34,189)	—	—	—	—
Summa Water Resources Inc.	50,000	90,815	(100,724)	—	40,091	—	40,091
Taguba, Florencio Zambo Jr Viernes	—	459	(131)	—	328	—	328
Tan, Roberto Ong	—	30,000	—	—	30,000	30,000	—
Tanduary Distillers, Inc.	—	682,004	(547,236)	—	134,768	134,768	—
Toyota Financial Services Phil.	2,150,000	3,700,000	(900,000)	—	4,950,000	1,650,000	3,300,000
Toyota Manila Bay Corporation	—	100,000	—	—	100,000	100,000	—
The Table Group, Inc.	189,575	—	(189,575)	—	—	—	—
Velez, Ma. Cristina Domicilo	—	998	(27)	—	971	—	971
Victorias Milling Company Inc.	1,940	—	(1,940)	—	—	—	—
Key Management Personnel	1,071	204,885	(43,586)	—	162,370	17,543	144,827
	P55,298,956	P195,397,876	(P207,240,906)	P=	P43,455,926	P11,646,278	P31,809,648

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024

(In thousand pesos)

Name and Designation of Debtor	Balance at Beginning of Period (12/31/2023)	Net Releases	Net Collections and Other Movements	Amounts Written-off	Balance at End of Period (12/31/2024)	Due Within One Year	Due Beyond One Year
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None to report

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE D – LONG TERM DEBT
DECEMBER 31, 2024

(In thousand pesos)

Type of Issue and Type of Obligation	Amount Authorized by Indenture	Due Within One Year	Due Beyond One Year	Interest Rates	Maturity Date
Long Term Negotiable Certificates of Deposits					
Issued October 11, 2019	₱4,600,000	₱4,598,770	–	4.38%	April 11, 2025
	4,600,000	4,598,770	–		
Bills Payable					
Various	14,152,442	14,152,442	–	Various	Various
Bonds Payable	USD 300,000	–	17,304,421	4.85%	October 23, 2029
		₱18,751,212	₱17,304,421		

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES
DECEMBER 31, 2024

Name of Related Parties	Balance at Beginning of Period	Balance at Ending of Period	Nature, Terms and Conditions
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None to report

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding	Amount owned by person of which statement is filed	Nature of Guarantee
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None to report

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
DECEMBER 31, 2024

(Absolute number of shares)

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common shares	1,750,000,001	1,525,764,850	–	1,201,799,937	149,326	323,815,587

PART III

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024 AND 2023

Ratios	Formula	2024	2023
Liquidity Ratios			
a. Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	71.45%	70.57%
b. Liquid assets ratio	$\frac{\text{Liquid assets}^{1/}}{\text{Liquid liabilities}^{2/}}$	36.42%	36.88%
c. Net loans to total deposits	$\frac{\text{Net loans}^{3/}}{\text{Total deposits}}$	64.43%	65.11%
Solvency Ratio			
a. Debt-to-equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	4.81	5.33
Asset-to-Equity Ratio			
a. Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	5.81	6.33
Interest Rate Coverage Ratio			
a. Times interest earned ratio	$\frac{\text{Earnings before interest and taxes}}{\text{Interest expense}}$	2.5x	2.5x
Profitability Ratios			
a. Return on assets	$\frac{\text{Net income}}{\text{Average total assets}^{4/}}$	1.72%	1.53%
b. Return on equity	$\frac{\text{Net income}}{\text{Average total equity}^{5/}}$	10.39%	9.95%
Capital Adequacy Ratios			
a. Tier 1 capital ratio	$\frac{\text{Tier 1 capital}}{\text{Total risk-weighted assets}}$	19.21%	16.85%
b. Capital adequacy ratio	$\frac{\text{Total qualifying capital}}{\text{Total risk-weighted assets}}$	20.10%	17.70%

Ratios	Formula	2024	2023
Other Ratios			
a. Net interest margin	$\frac{\text{Net interest income}}{\text{Average interest-earning assets}}$	4.50%	4.23%
b. Efficiency ratio	$\frac{\text{Total operating expenses}}{\text{Total operating income}}$	49.57%	49.56%
c. Loan coverage ratio	$\frac{\text{Total loan loss provisions}^{6/}}{\text{Total loans}^{7/}}$	5.74%	6.45%
d. Nonperforming loans coverage ratio	$\frac{\text{Total loan loss provisions}^{6/}}{\text{Total nonperforming loans}}$	84.84%	88.53%

^{1/} Composed of due from Bangko Sentral ng Pilipinas, due from other banks, interbank loans receivable, securities held under agreements to resell, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income, net of applicable allowance for credit losses, that are due within one year

^{2/} Composed of financial liabilities that are due within one year

^{3/} 'Net loans' caption refers to receivables from customers, net of allowance for credit losses and unearned interest and discount

^{4/} Computed as the average of the beginning and ending balances of total assets

^{5/} Computed as the average of the beginning and ending balances of total equity

^{6/} Allowance for credit losses on loans (contra-asset account against receivables from customers). Effective March 31, 2024, allowance for credit losses on loans arising from appropriation of retained earnings in representing the excess of 1% general loan loss provisions over the computed ECL for Stage 1 accounts as prescribed by BSP Circular 1011 were excluded in determining the cover.

^{7/} "Gross loans" caption refers to receivable from customers, gross of allowance for credit losses and unearned interest and discount

PHILIPPINE NATIONAL BANK AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION DECEMBER 31, 2024 AND 2023

<i>(in thousand pesos)</i>	2024	2023
Total Audit Fees (Section 2.1a)¹	₱38,093	₱39,788
Non-audit services fees		
Other assurance services	10,253	2,791
Tax services	2,328	2,809
All other services	2,909	717
Total Non-audit Fees (Section 2.1b)²	15,490	6,317
Total Audit and Non-audit Fees	₱53,583	₱46,105
Audit and Non-audit fees of other related entities (Section 2.1c)³		
<i>(in thousand pesos)</i>	2024	2023
Audit fees	₱—	₱—
Non-audit services fees		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total Non-audit fees	—	—
Total Audit and Non-audit fees	₱—	₱—

Notes:

- ¹ Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's stand-alone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor/audit firm expresses an opinion. These do not include fees for special purposes audit or review of financial statements.
- ² Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These included other assurance services such as special purpose audit or review of financial statements.
- ³ Section 2.1c: Disclose fees for services (excluding out of pocket expenses and VAT) charged to any related entities of the covered company over which the covered company has direct or indirect control, which are not yet disclosed in (a) or (b), such as fees for services to any unconsolidated subsidiaries that meet the consolidation exemption criteria of Philippine Financial Reporting Standard (PFRS) 10 applicable to investment entities, if the external auditor/audit firm has reason to believe that these are relevant to the evaluation of the external auditor/audit firm's independence, as communicated by the external auditor/audit firm with the covered company's. Those Charged with Governance or equivalent (e.g. Audit Committee)

 PNB
EVERY STEP
TOGETHER



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Sustainability in Branding Practices

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Summit for Sustainable Growth: Breaking Barriers, Enabling Pathways
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About the Report

Reporting Coverage, Guidelines, and Standards

GRI 2-2, 2-3

Reporting Period

January 1, 2024 to December 31, 2024

Reporting Coverage

This report covers the performance of Philippine National Bank’s domestic and international operations.

Financial statements were audited by SGV & Co. Non-financial data, though not externally assured, underwent through internal review and verification.

Guidelines and Standards

PNB adheres to the following international and domestic standards and frameworks:

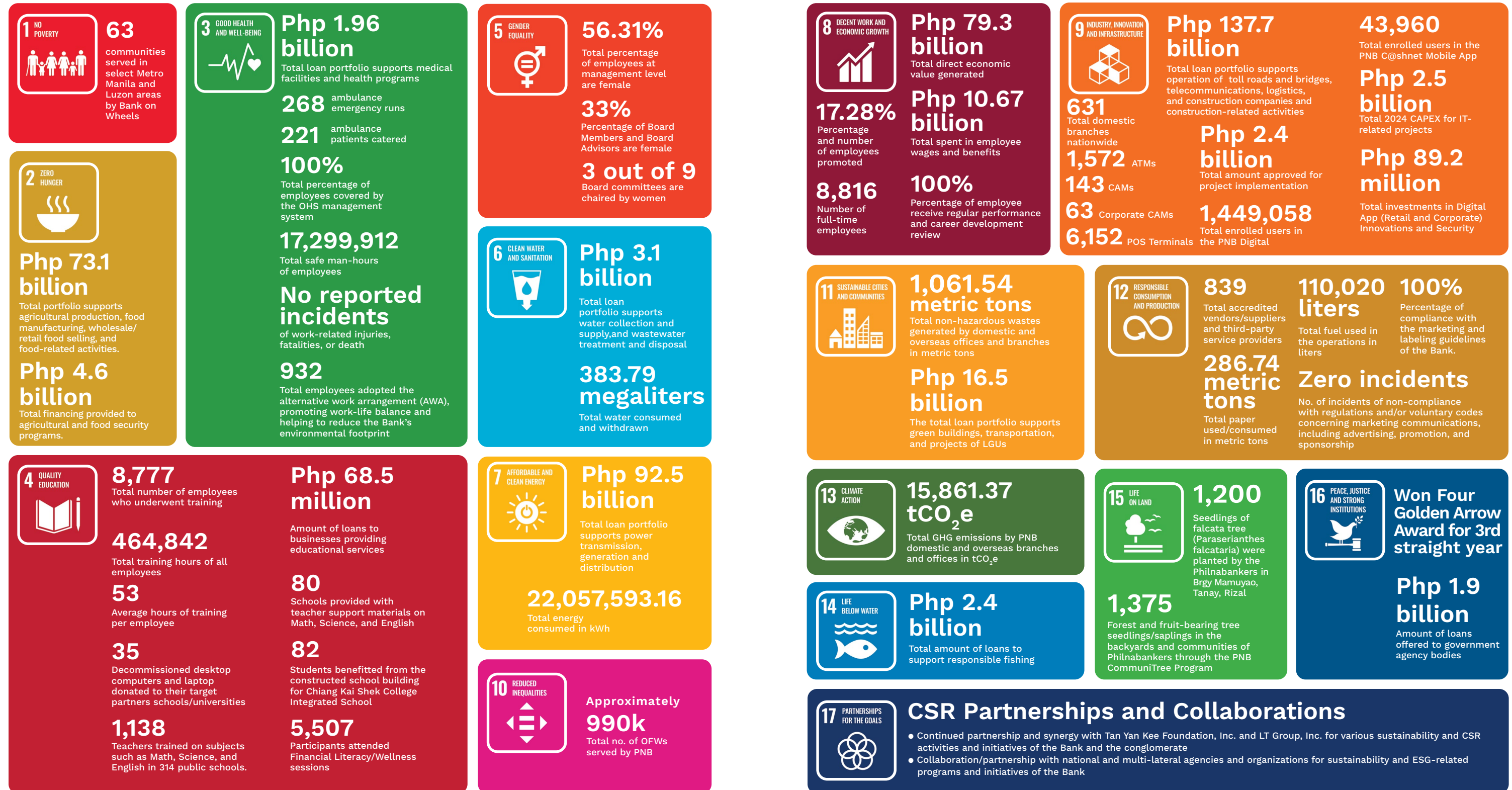
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- IFRS S1 General Requirements for *Disclosure of Sustainability-related Financial Information*
- IFRS S2 *Climate-related Disclosures*
- Bangko Sentral ng Pilipinas (BSP) Guidelines and Securities and Exchange Commission (SEC) Guidelines for *Annual and Sustainability Reporting*
- BSP Manual of Regulation for Banks (MORB)
- United Nations’ Sustainable Development Goals (SDGs)

Our Reporting Process



2024 Sustainability Performance and Impact to SDGs

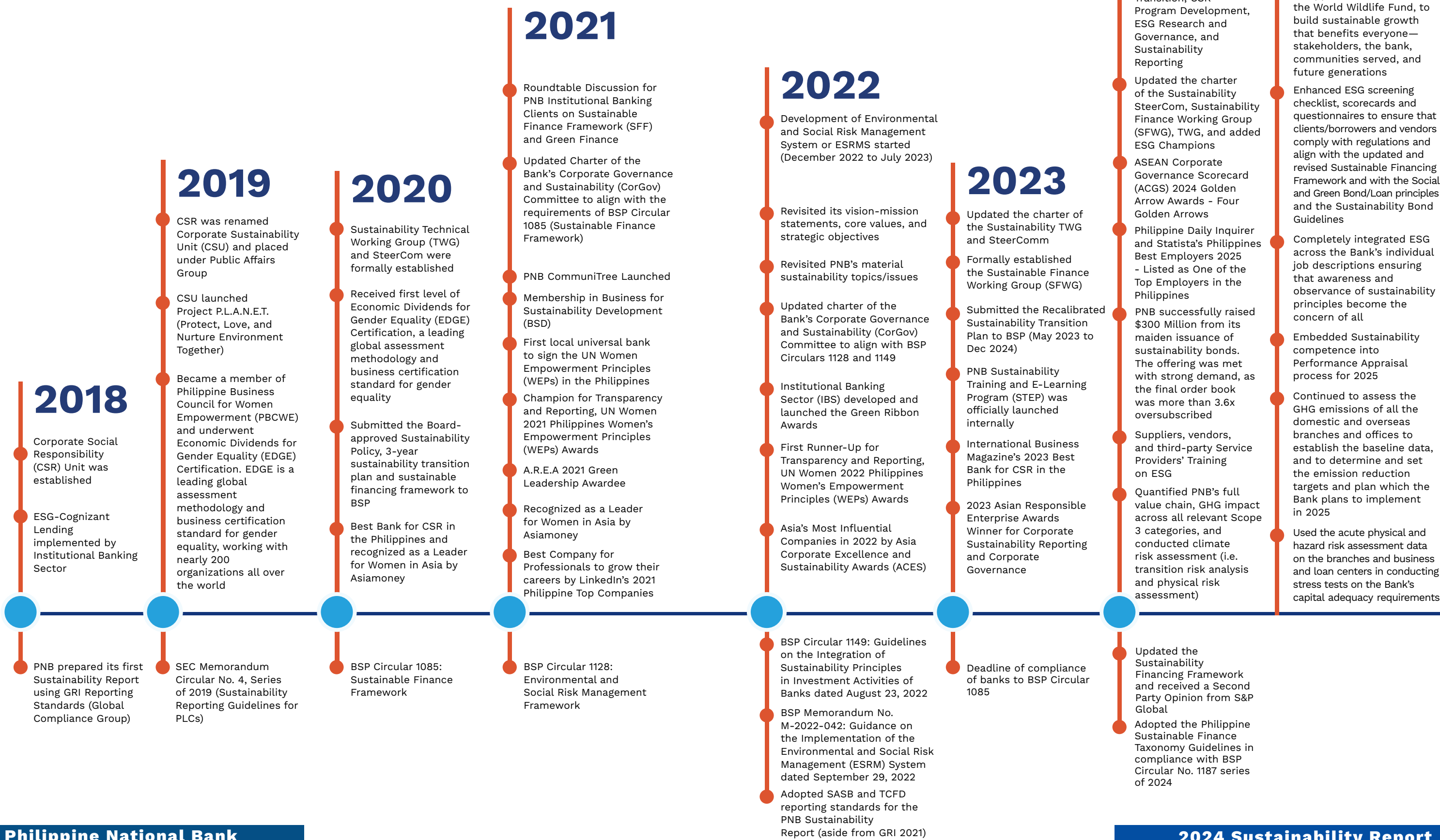
In 2024, Philippine National Bank made significant strides in embedding sustainability into our operations, driving measurable progress across key ESG pillars in line with our contributions to the SDGs.



Sustainability at PNB

PNB's Sustainability Journey and Milestones

GRI 2-6



Integrating Sustainability into our Core

We are dedicated to conducting our business responsibly and contributing positively to the communities we serve. This commitment is anchored in adherence to both local and global standards and best practices, including, but not limited to the following:

- FATF International Standards on Anti-Money Laundering and Combating the Financing of Terrorism,
- ASEAN Corporate Governance Scorecard (ACGS),
- United Nations Sustainable Development Goals (SDGs),
- BSP Circulars and SEC Regulations, and the
- Philippine Business Coalition for Women Empowerment (PBCWE).

To further incorporate sustainable practices into our business DNA, we have articulated our approach to sustainability through a clear definition of what it means to us, a commitment to our stakeholders, and a comprehensive Sustainability Policy Statement. These principles guide our operations, actions, and initiatives today and into the future.

PNB's Sustainability Policy

Our Sustainability Policy Statement

GRI 2-23, 2-24

PNB is a private Filipino universal bank with global presence committed to provide relevant financial solutions to customers anywhere in the world committed to generate value through a strategy focused on safe and sustainable growth.

The capacity of the Bank to grow and sustain business is contingent upon the quality of its human capital, the condition of its physical resources, the viability of its businesses, and the Bank's relationship with its customers, employees, shareholders, regulators, suppliers/vendors, outsourced personnel, third-party service providers, and external communities.

The Bank believes that Sustainability starts from within by respecting human rights, cultivating an inclusive and collaborative work culture, and helping all employees — regardless of gender and background — gain equal access to relevant training and opportunities to develop skills and capabilities needed to succeed and improve their well-being. Through this Policy, the Bank commits to educate and engage its employees, leading them to align with PNB's thrust on Sustainability. The Bank aims for its employees to embrace sustainability principles not only at work but also in their own personal lives.

Our corporate governance framework supports this sustainability commitment which earned the Bank recognitions from the Institute of Corporate Directors (ICD) and the Securities and Exchange Commission (SEC) for good governance practices and initiatives.

Recognizing the Bank's essential role in helping shape the environment and the social landscape, we believe that our Bank's Sustainability footprint should also extend to our products and services as well as to supporting the businesses and activities of our customers. As such, the Bank commits to support projects and activities that will contribute to the achievement of the United Nations' Sustainable Development Goals (SDGs).

The Bank will not support or involve itself in any business or activity that is illegal, and which might cause harm, directly or indirectly, to people and the environment.

On the other hand, the Bank will subject to enhanced due diligence and close monitoring high-risk businesses and activities that are considered to have harmful effects or negative impact on society and the environment. The Bank will continue to support these businesses or activities provided they have the necessary government approvals and permits, have passed the ESG screening of the Bank and have submitted applicable technical validation report, in accordance with Bank's Sustainability Financing Policy.

In addition, the Bank expects its customers, vendors/suppliers, and third-party service providers to improve their business practices by identifying and managing their own environmental and social risks and impact, adopting good industry standards and practices, and contributing positively to the environment and society. The Bank commits to educate its customers, vendors/suppliers, and third-party service providers on PNB's Sustainability Policy.

To promote social inclusion and gender equality, the Bank will support and make available socially-inclusive and gender-sensitive financial solutions. The Bank will integrate social inclusion and gender lens in financing businesses; financing or refinancing projects that aim to improve social inclusion and gender equality; and by supporting CSR initiatives and activities that promote and improve social inclusion and gender equality.

Our economic, social, and environmental responsibility includes complying with all legal requirements.

The Bank's employees, outsourced personnel, vendors/suppliers, and third-party service providers shall uphold the principles under this policy to the fullest extent possible. Employees are encouraged to inform the Bank's management about potential barriers that might hinder the growth of the organization's people and its business.

This policy applies to all activities of PNB, including events, sponsorships, and engagements that the Bank supports.

What Sustainability Means to Us

- Ensuring that our employees are provided with the right competencies and learning opportunities as well as equal access to programs that can enhance productivity, leading to self-sufficiency and a better quality of life;
- Ensuring the longevity of our business by maintaining profitability, attracting and retaining the right talent, providing relevant financial solutions, managing our tangible and intangible resources, and upholding a culture of continuous improvement;
- Developing sustainable products and services, and financing businesses and activities that provide positive contribution to the environment and the society;
- Ensuring that our business and operations comply with all applicable laws, rules, and regulations; and are aligned with local and international best practices and standards;
- Ensuring that we consider and integrate social inclusion and gender equality factors in how we do our business and operate in our communities;
- Promoting the well-being of our stakeholders by keeping a healthy ecosystem of employees, outsourced personnel, third-party service providers, suppliers/vendors, customers, shareholders, regulators, and external communities.

Our Sustainability Pillars

The Bank’s sustainability pillars integrate key material topics into our operations, addressing environmental, social, economic, and governance priorities. Aligned with the UN-SDGs, these pillars guide our efforts to create lasting value and drive responsible business practices. Details on how material topics were determined can be found in the next section.

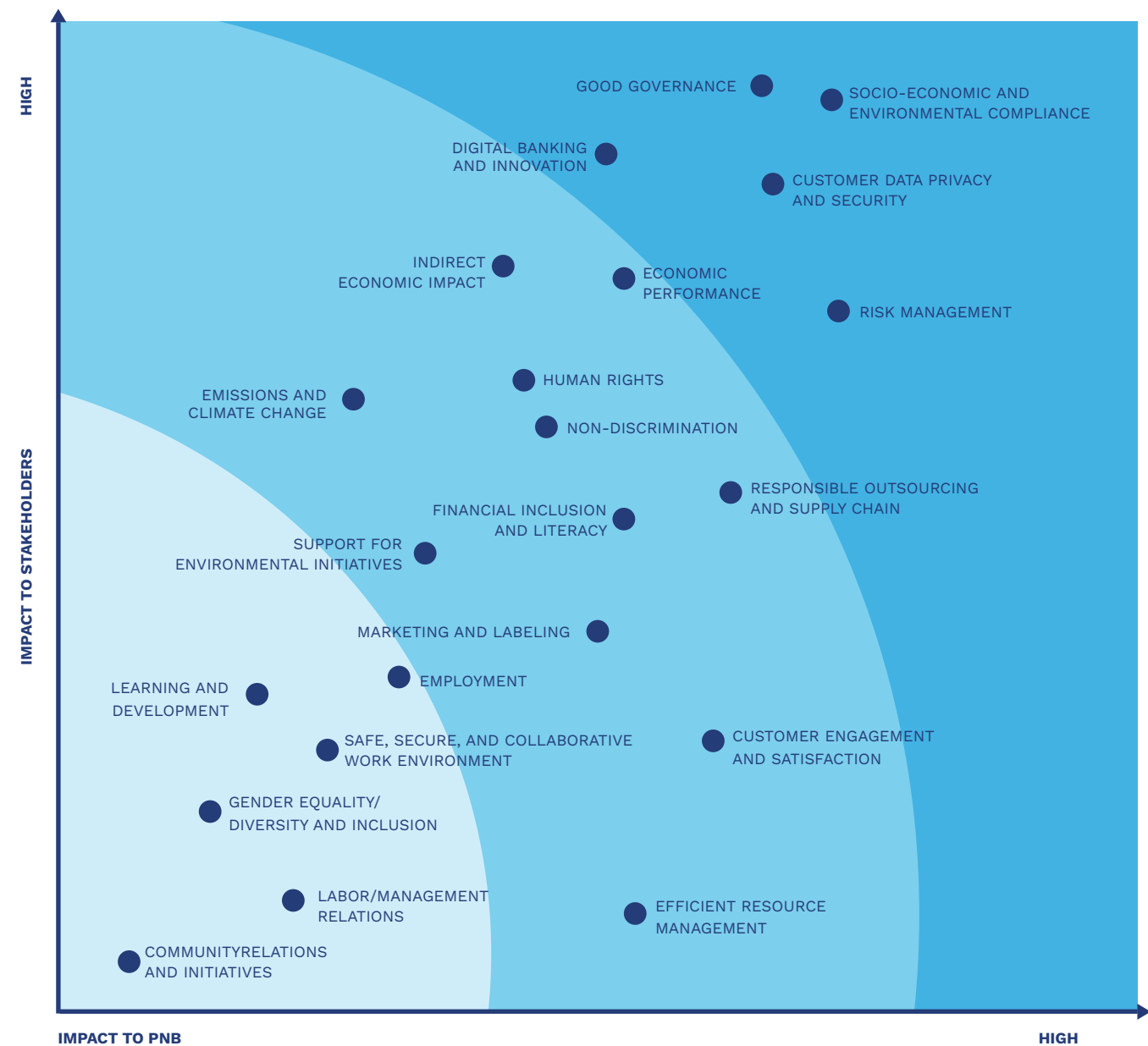


Materiality Process

GRI 3-1, 3-2

PNB follows a structured materiality assessment process guided by the GRI Standards, to identify and address the ESG topics most relevant to our stakeholders and operations.

This assessment is conducted every three years, with annual reviews to ensure topics remain current and reflective of evolving issues and commitments. Key stakeholders, including customers, employees, regulators, and communities, are actively engaged to provide insights that shape our priorities. Their insights, alongside global and local sustainability trends, drive the identification and prioritization of material topics. Each performance of the topics is disclosed in this report.



Topic	Definition
Economic Performance (Profitability and Responsible Spending)	Ensuring sustainable financial growth through prudent spending and investment strategies while delivering value to stakeholders.
Indirect Economic Impact	Contributing to economic development through business activities that generate jobs, boost local economies, and support industries indirectly linked to the Bank's operations.
Responsible Outsourcing and Supply Chain	Establishing ethical, transparent, and sustainable practices in procurement and supply chain management to uphold social and environmental standards.
Digital Banking and Innovation	Leveraging technology to provide innovative, secure, and accessible digital banking solutions that enhance customer experience and operational efficiency.
Financial Inclusion and Literacy	Expanding access to financial services and promoting financial education to empower underserved communities and improve overall financial well-being.
Emissions and Climate Change	Addressing greenhouse gas emissions and supporting initiatives that mitigate climate change impact.
Efficient Resource Management (Water, Energy, Emissions, Waste)	Optimizing resource consumption to minimize waste and reduce the environmental footprint across operations.
Support for Environmental Initiatives	Investing in and supporting projects and activities that promote environmental conservation and sustainable practices.
Safe, Secure, and Collaborative Work Environment	Fostering a workplace that prioritizes employee safety, security, and collaboration, enabling a supportive and productive atmosphere.
Employment (Competitive Compensation, Employee Recognition and Rewards)	Providing fair and competitive compensation while recognizing and rewarding employee contributions.
Labor/Management Relations	Maintaining open, constructive dialogue between employees and management to ensure fair treatment and shared goals.
Learning and Development	Offering opportunities for skill-building, leadership development, and continuous learning to enhance employee capabilities and career growth.
Gender Equality/Diversity and Inclusion	Promoting an inclusive culture that values diversity and ensures equal opportunities for all employees.
Community Relations and Initiatives	Engaging with communities through programs and initiatives that support local development and social well-being.
Human Rights	Upholding and respecting fundamental human rights in all aspects of the Bank's operations and relationships.
Non-Discrimination	Ensuring fairness by preventing discrimination in employment, services, and stakeholder engagement.
Customer Engagement and Satisfaction	Prioritizing customer needs and feedback to deliver exceptional service and maintain strong relationships.
Marketing and Labeling	Providing accurate, transparent, and ethical marketing and communication materials to build trust and integrity with stakeholders.
Good Governance (Transparency and Accountability, Anti-Corruption/Anti-Bribery)	Upholding ethical practices by ensuring transparency, accountability, and zero tolerance for corruption or bribery.
Risk Management	Establishing robust systems to identify, assess, and mitigate risks across all areas of the Bank's operations.
Socio-Economic and Environmental Compliance	Adhering to all legal, regulatory, and ethical standards related to socio-economic and environmental performance.
Customer Data Privacy and Security	Safeguarding customer information through strict privacy policies and robust cybersecurity measures.

Stakeholder Engagement

GRI 2-26, 2-29

PNB is cognizant that meaningful engagement with our stakeholders is essential to fostering trust, driving sustainable growth, and creating shared value. The table below highlights our stakeholder-centric approach, showcasing how PNB actively engages with diverse groups to address their unique perspectives and priorities to proactively respond to emerging challenges, build lasting partnerships, and drive meaningful, sustainable progress for all.

Stakeholder Group	Key Concerns	Mode of Engagement	Frequency	Outcome/Objective
 Customers	Service quality, digital banking access, data privacy, financial literacy	Customer satisfaction surveys, feedback channels, social media, consultations	As needed and periodic surveys	Enhance customer satisfaction and loyalty, address concerns, and improve services.
 Employees	Competitive compensation, career growth, workplace safety, inclusion	Town halls, training programs, employee surveys, internal communications	Ongoing and as needed	Foster a collaborative and inclusive culture, improve retention, and build morale.
 Communities	Economic opportunities, environmental sustainability, financial inclusion	Community programs, partnerships with NGOs, volunteering, forums	Periodic and project-based	Address community needs, contribute to socio-economic development, and build trust.
 Suppliers	Ethical sourcing, fair contracts, compliance with ESG practices	Supplier assessments, regular meetings, performance reviews	Annually and as needed	Strengthen supplier relationships and ensure ethical and sustainable procurement.
 Government Agencies and Regulators	Compliance, transparency, alignment with regulations	Regulatory submissions, consultations, participation in forums	Ongoing and as required	Ensure compliance, foster trust, and maintain operational integrity.
 Investors	Financial performance, governance, risk management, ESG integration	Annual general meetings, investor briefings, financial reports, direct communication	Quarterly, annually, and as needed	Maintain investor confidence, ensure transparency, and attract long-term investments.

Economic: Empowering Growth, Enabling Prosperity

Our Economic Performance

GRI 3-3, 201-1, 204-1, SDG 8, 9, 11

PNB believes that sustainable economic growth is achieved by working hand-in-hand with all stakeholders, ensuring we move forward every step together. In 2024, our robust performance is seen through the numbers, reinforcing our commitment to fostering sustainable progress and shared prosperity.

This shared growth was achieved by generating and distributing value to our stakeholders through competitive employee compensation, timely vendor payments, tax contributions, and dividends for shareholders.

Economic Value Generated and Distributed (in Php millions)

Disclosure	2022	2023	2024
Direct economic value generated	61,425	73,628	79,341
Direct economic value distributed	53,548	61,416	65,154
Operating costs	25,297	30,477	28,171
Employee wages & benefits	9,763	10,464	10,669
Dividends to stockholders	13	4	4
Taxes to government	13,851	14,609	17,317
Payments to suppliers	4,604	5,821	8,985
Community investments	20	41	8
Direct economic value retained	7,877	12,212	14,187

Dividend Policy (as approved by the Board of Directors on February 28, 2025)

Dividends shall be paid out of the Bank’s surplus profits at a payout ratio equivalent to 20% of the Bank’s net income of the prior year or at an amount as may be determined by the Board of Directors, in accordance with the applicable provisions and regulations set out by the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission. Dividends may be paid out in cash, in shares of stock, or in property.

The Board of Directors regularly evaluates and determines the appropriate amount of capital that the Bank needs to achieve its strategic objectives. This is reflected in the Bank’s capital management process, and dividend payout is considered in this process.

Building Value, Creating Shared Impact

GRI 3-3, 203-1, 203-2, SDGs 1, 2, 3, 6, 7, 8, 9, 11

Sustainability Financing Framework

At PNB, we recognize the pivotal role of financial institutions in driving sustainable development. Guided by our Board-approved Sustainability Financing Framework (SFF), we align our financing and investment activities with the UN-SDGs and other global sustainability and financial standards. The framework also embeds environmental and social (E&S) considerations aligned with our ESRMS into the Bank’s investment due diligence and decision-making processes, evaluating factors such as emissions reduction, resource efficiency, labor rights, and community well-being. The framework excludes investments in industries with adverse ESG implications. More information on our ESG blacklist and graylist can be found in this report.

Under the SFF, PNB channels resources toward financing and refinancing eligible green and social projects that promote renewable energy, energy efficiency, green buildings, sustainable agriculture, clean water systems, and inclusive infrastructure.

The Bank’s sustainability financing strategy is rooted in reorienting capital flows from carbon-intensive activities toward projects that support climate transition and social equity. By leveraging green and social finance instruments, such as sustainability bonds and loans, we provide investors with opportunities to directly participate in initiatives that create measurable positive impact. These instruments not only diversify our investor base but also broaden the sustainability dialogue with stakeholders.

In 2024, PNB’s efforts resulted in the financing of Php 324.66 billion worth of loans that support SDG objectives, encompassing renewable energy, rural electrification, clean water systems, and green infrastructure. Through this framework, we bridge the gap between economic growth and sustainability, ensuring that our funding strategies contribute to a more inclusive and resilient future. More information on our SFF’s process, inclusion and exclusion criteria, and more can be found on the PNB Website.

The Bank successfully issued a \$300 million sustainability bond, reinforcing our commitment to responsible financing. The proceeds will support projects that drive positive environmental and social impact, aligned with our ESG priorities. This milestone reflects our dedication to sustainable growth while creating long-term value for stakeholders.



\$300 million

First dollar-denominated sustainability bonds raised

Case Studies

Financing the Future of Renewable Energy

Our commitment to sustainable finance reflects our broader mission to drive inclusive economic growth while safeguarding the environment for future generations. PNB fully supports the country’s transition to a low-carbon economy. Through our Sustainability Financing Framework, we channel capital into high-impact renewable energy projects, supporting the shift towards clean, reliable, and resilient energy systems. In 2024, the Bank has funded several solar power developments, battery energy storage systems (BESS), and strategic refinancing of renewable assets to empower businesses and communities to accelerate the adoption of sustainable energy solutions. PNB’s financing portfolio in renewable energy includes:

797 MW

Powerplant Capacity

762 MWh

Energy Storage

- **Utility-Scale Solar Power** – Funding the development and construction of large-scale solar farms that generate sustainable electricity and reduce dependence on fossil fuels.
- **Battery Energy Storage Systems (BESS)** – Supporting advanced energy storage solutions that enhance grid reliability, optimize renewable energy use, and improve energy security.
- **Project Development & Refinancing** – Providing capital for new and existing renewable energy projects to ensure long-term operational sustainability and financial viability.



Approved Facility Amount and Outstanding Balance:

Approved Facility Amount: **Php 35.9 billion**

Outstanding Balance: **Php 22.3 billion**

Supporting Sustainable Water and Water Management

Access to clean water is a fundamental pillar of sustainable development, and the Bank is committed to supporting projects that ensure water security, efficiency, and resilience. Through our SFF, we provide funding for critical water and wastewater infrastructure, helping communities gain access to safe drinking water while promoting responsible water resource management. This reporting year, PNB’s financing supports key water and wastewater management projects that enhance access to clean water and improve infrastructure efficiency:

- **Bulk Water Supply Systems** – Financing the construction and expansion of sustainable bulk water facilities to meet the growing demand for potable water in urban and rural communities.
- **Wastewater Treatment and Management** – Supporting infrastructure that enhances water quality, reduces pollution, and promotes the responsible treatment and reuse of water resources.
- **Bridge Financing for Critical Water Projects** – Enabling the development and timely completion of large-scale water supply initiatives that serve thousands of households.

Through these projects we were able to contribute to the delivery of **36.1 million liters per day** (MLD) of clean drinking water, benefiting an estimated **350,097 people**.

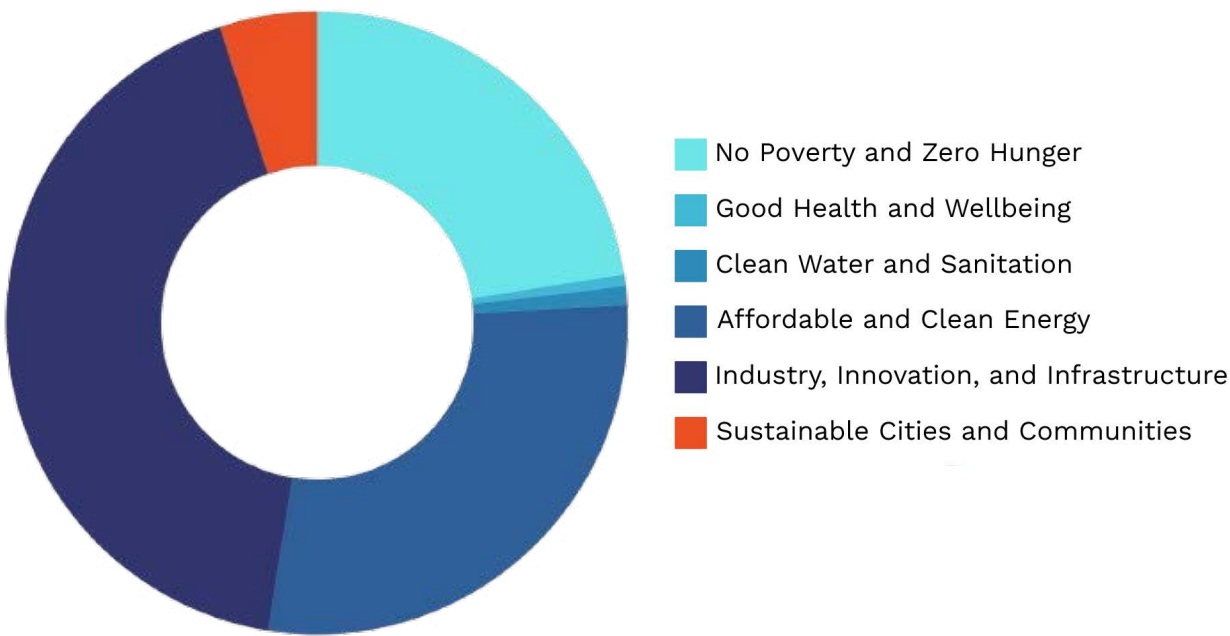
S&P Global’s Second Party Opinion

The Bank has received a favorable Second Party Opinion from S&P Global for confirming the PNB Sustainability Financing Framework alignment with the following global standards or principles:

- Social Bond Principles, ICMA, 2023
- Social Loan Principles, LMA/LSTA/APLMA, 2023
- Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1)
- Green Loan Principles, LMA/LSTA/APLMA, 2023
- Sustainability Bond Guidelines ICMA, 2021

“Philippine National Bank (PNB) lending activities contribute to financial inclusion and economic empowerment in the Philippines. For example, eligible social categories aim to improve access to credit for underserved segments such as low-income individuals and women entrepreneurs. The Bank defines target populations based on official or government definitions, adding credibility to its projects screening.”

More information about this can be found on the PNB website.



SFF Focus Area	Outstanding Balance of Business Loans (in Php billions)
No Poverty and Zero Hunger	73.10
Good Health and Wellbeing	1.96
Clean Water and Sanitation	3.10
Affordable and Clean Energy	92.50
Industry, Innovation, and Infrastructure	137.50
Sustainable Cities and Communities	16.50
TOTAL	324.66

Green Eligible Categories

- Renewable Energy
- Energy Efficiency
- Green Buildings
- Green Buildings - Data Centers
- Clean Transportation
- Pollution Prevention and Control
- Climate Change Adaptation
- Environmentally Sustainable Management of Living Natural Resources and Land use
- Sustainable Water and Wastewater Management
- Terrestrial and Aquatic Biodiversity Conservation
- Eco-efficient and/or Circular economy adapted products, Production Technologies, and Processes

Social Eligible Categories

- Affordable Basic Infrastructure
- Access to Essential Services
- Food Security
- Socioeconomic Advancement and Empowerment

Environmental and Social Risk Management System (ESRMS)

In line with industry best practices and regulatory requirements including, but not limited to, BSP Circulars 1128 and 1149, PNB’s ESRMS is central to integrating environmental and social (E&S) considerations into our decision-making processes, ensuring that our business practices contribute positively to society and the environment. Moreover, the Bank has identified climate-related risks and opportunities to strategically manage environmental challenges and leverage on sustainable growth opportunities.

Key Components of ESRMS

1. Integration of E&S Risks into Enterprise Risk Frameworks

We have enhanced our Enterprise Risk Framework and Risk Taxonomy to include E&S risks, such as climate-related physical risks (acute and chronic) and transition risks. These risks are assessed using tools like HazardHunterPH and Climate Central’s Coastal Risk Screening Tool, providing data-driven insights for an informed decision-making process.

2. Customer and Vendor Screening

E&S risk criteria are integrated into our Enhanced Centralized Watchlist System (ECWS) for screening customers and vendors. This ensures compliance with sustainability standards while mitigating risks associated with environmental crimes, human rights violations, and other ESG concerns.

3. Credit Risk and Investment Management

Our revised ESG scorecard evaluates borrowers’ and investees’ sustainability practices and E&S risk management. These assessments are incorporated into borrower and facility risk ratings to safeguard against financial impacts from climate and environmental risks.

4. Operational Resilience and Risk Management

PNB continuously assesses the physical risks of branches and cash centers in high-hazard areas, leveraging tools like HazardHunterPH. We integrate E&S criteria into our vendor management processes, ensuring sustainability in our supply chain and operational continuity.

5. Capital Stress Testing and Scenario Analysis

In 2024, we conducted stress tests on capital adequacy requirements, incorporating data on acute physical risks to branches and business centers. These findings were included in our Internal Capital Adequacy Assessment Process (ICAAP).

Risk Management Process

- Comprehensive risk management framework
- Defined risk limits, guidelines, and parameters
- Clear delineation of roles and responsibilities
- Robust risk measurement system
- Effective internal controls and monitoring
- Comprehensive risk reporting process
- Adherence to regulatory standards and industry best practices



Managing our Environmental and Social (E&S) Risks and Impacts

Since 2020, PNB has been embedding sustainability principles and E&S risk factors into its credit risk and operational risk management processes. This integration ensures that sustainability considerations are at the core of our decision-making framework. We regularly communicate our sustainability policies and initiatives to internal and external stakeholders through emails and social messaging platforms, fostering collaboration and alignment on sustainability goals.

This ongoing effort underscores our dedication to advancing sustainability not only within our organization but also in our relationships with clients, partners, and the communities we serve.

Breakdown of Loan Exposure by Philippine Standard Industrial Classification

Industry	Amount (in Php thousands)	% to Total
Financial intermediaries	95,402,711	14.98
Wholesale and retail	110,724,538	17.39
Electricity, gas and water	100,473,295	15.78
Manufacturing	62,254,787	9.78
Transport, storage and communication	34,460,783	5.41
Agriculture, hunting and forestry	5,424,089	0.85
Public administration and defense	1,554,338	0.24
Government	1,656,292	0.26
Real estate, renting and business activities	105,531,826	16.57
Construction	37,948,520	5.96
Others *	81,388,386	12.78
TOTAL	636,819,625	100.00

*Others include the following sectors – Other community, social and personal services, private household, hotel and restaurant, education, mining and quarrying, and health and social work.



Our ESG Blacklist and Gray List

FN-CB-410a.2

PNB’s Sustainability Financing Framework ensures that our financing activities uphold the highest ethical, environmental, and social standards. We commit to refraining from supporting illegal businesses or activities that may directly or indirectly harm people and the environment, as outlined in our Board-approved ESG Negative List or Blacklist.

For businesses on our Enhanced Due Diligence List or Gray List, which carry high environmental and social risks, we will continue providing services while subjecting them to enhanced due diligence and close monitoring of their impact. Financing will be extended only if they have the necessary government approvals and permits, have passed the ESG screening of the Bank and have submitted applicable technical validation report.

Blacklist Industries/Activities

- Money laundering, terrorism, criminal and illegal activities
- Bribery including giving, offering, receiving or requesting bribes
- Child labor and any form of exploitation of children
- Forced labor
- Adult entertainment, prostitution, human trafficking
- Activities related to nuclear power generation and fuels, hazardous chemicals and radioactive substance
- Illegal mining
- Illegal gaming
- Violating rights of local communities or in location of significant social conflict
- Production or trade in wildlife regulated under The Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES) and United for Wildlife Financial Taskforce, any form of animal cruelty
- Illegal logging or uncontrolled fire – including transactions in which a client engages in illegal logging or uncontrolled use of fire for clearing forest lands, conversion of land for plantation use in primary tropical moist forests
- Land clearance by burning
- Production and movement of weapons and ammunitions for non-law enforcement, nonmilitary use which normal use violates basic humanitarian principles, and this includes anti-personnel mines, cluster, munitions and weapons of mass destruction
- Illegal internet gaming – transactions in connection with the participation of another person in a bet or a wager that involves the use of the internet and that is unlawful under law.
- Fishing with the use of explosive or cyanide
- Production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous people, without full documented consent of such peoples
- Finning and/or trading (wholesale or retail) or serving at eateries of shark fin or shark finning and deriving material revenue from such activities
- Natural resource extraction in UNESCO World Heritage sites – engaging in transactions focused on natural extraction within UNESCO World Heritage sites, unless there is prior consensus between UNESCO and the host country's governmental authorities that activities will not adversely affect the natural or cultural value of the site.

Graylist Industries/Activities

- Coal Fired Power Plants (CFPP) / power plants using fossil fuel
- Tobacco and alcohol – lending to be limited only to existing groups of the Bank
- Casino/Gaming/Integrated Tourism
- Mining
- Large hydropower plants (over 25MW)
- Biomass powerplants competing with food production
- Remittance companies, money service businesses, pawnshops and e-money institutions



Stronger, Better Together: Customers at the Heart of PNB

Our commitment to delivering value to our customers is rooted in the belief that every interaction is an opportunity to build meaningful connections. Together with our stakeholders, we create value that transcends transactions, fostering trust and building partnerships that stand the test of time. Stronger relationships, better outcomes — this is how we work hand-in-hand with our customers every step of the way.

Elevating the Customer Journey: Handling Complaints and Improving Customer Experience

We value our customers and as such, we ensure that feedback mechanisms and customer support channels are available for them to air out their concerns and opinions regarding the Bank's products and services.

Our customers are provided with various channels for inquiries, requests, and complaints, such as our 24/7 customer care hotline, email, Facetime, Facebook Messenger and all branches overseas and nationwide. In 2024, majority of our customer touchpoints is inquiries, followed by requests and complaints. To analyze the trends and effectiveness in resolving customer issues, all complaints are logged in the Bank's Case Logging Tool and Complaints Registry. These tools are used to consolidate all complaints into a centralized reporting mechanism. The Complaints Management Annual Report is presented to the Risk Oversight Committee every February.

Our Consumer Protection Policy includes the Consumer Assistance Mechanism where the Bank ensures that any reported complaint is recorded, monitored, and addressed in a timely manner. This information/guide is also provided to our customers through the Consumer Assistance Process which may be found in the Bank's official website. Every month, a report on Customer Engagement and Consolidated Complaints Report is submitted/presented to the Management Risk Committee and Board Risk Oversight Committee. On a quarterly basis, in accordance with the BSP requirement, the Bank submits the consolidated complaints report to the regulator.

We also continue to gather quantitative feedback from our customers at point of call through our "After Call Survey for 8573-8888", as well as through monthly email satisfaction surveys to help us further improve our service delivery.

Since 2023, as part of the Bank's sustainability initiatives, our Customer Experience Division (CED) included E&S risks categories in its Consolidated Complaints Report. These E&S risks could affect power, telecommunications, and systems and could cause service interruption and outages, as well as damage bank properties such as CAMs, ATMs, and branches. It may also cause data privacy breach, data loss, and theft, among others. Appropriate documentation of the processes and reporting mechanisms may be found in the Bank's Operational Policies and Procedures in Handling Customer Concerns using the Case Logging Tool and submission of the BSP-Supervised Financial Institutions Consolidated Complaints Report (BCCR).



Another Big Win for Customer Service Excellence

"Our customers can rest assured that PNB Digital is committed to remain as their dependable financial partner – whenever and wherever they are."

-Damasen Paul Cid, PNB's Head for Digital Channel Management & Innovation Group

Our dedication to customer satisfaction and innovation is likewise reflected in the digital banking space. In 2024, PNB Digital, our mobile banking app, received the Highly Acclaimed: Excellence in Customer Service Innovation award at The Digital Banker's Digital CX Awards 2024, held at Marina Bay Sands, Singapore.

According to The Digital Banker, PNB Digital is notable for its personalized features and improved navigation, which ensured that users can swiftly and securely conduct desired transactions with the number of active users increasing by 42% year-on-year, proving the app's capability as an easy-to-use, intuitive, and convenient banking app.

Banking Built Around You: Supporting Customer Preferences

FN-CB-000.A, FN-CB-000.B

At PNB, banking is built around you — designed to be as dynamic, secure, and forward-thinking as the customers we serve. Whether at home or abroad, in-person or online, we are your trusted partner in financial growth and stability. The Bank acknowledges that every customer has unique financial needs and preferences. As of the current, we offer tailored financial products that align with different life stages and aspirations. Whether you are opening a savings account, expanding your business, investing in your dream home, or planning for retirement, our suite of banking solutions is designed to support your journey.

Cards

Our extensive card portfolio is designed for flexibility and convenience. In 2024, we have issued 115,381 credit cards that empower you to transact securely and access exclusive rewards. In addition, our Global Filipino Card, with 466,202 cards issued, is a testament to our commitment to serving Overseas Filipino Workers (OFWs) and their beneficiaries worldwide, ensuring that their lifestyle is supported no matter where they are.



115,381
Credit cards issued

Loans

PNB’s loan offerings are crafted to help you achieve your financial goals. In 2024, our personal loan segment boasts 712 accounts with a total booking of Php 213,684,400, providing you with flexible financing for everyday needs and important investments. Complementing this, our Consumer Finance Sector has recorded new bookings for its flagship “Own a Philippine Home Loan” (OPHL), amounting to Php 608 million across 129 accounts. This dedicated product suite is designed for OFWs to bring their dream of homeownership closer to reality.



712 accounts
Php 213,684,400 total booked
Personal Loan



129 accounts
Php 608 million new bookings
Own a Philippine Home Loan

Investments

We offer a broad spectrum of investment opportunities to help you grow your wealth. Our investment solutions — from fixed-income securities to diversified portfolios — are tailored to match your risk appetite and long-term financial objectives. With expert guidance and innovative products, we ensure that every investment decision is aligned with your future aspirations.

Bancassurance Partnerships

Protecting what matters most is at the heart of our insurance offerings. We provide comprehensive life and non-life insurance products through our partnerships with Allianz and ABIC to safeguard you and your loved one’s financial well-being. Designed to deliver peace of mind, our insurance products ensure that you are well-prepared for life’s uncertainties.

Supporting the Global Filipino

In 2024, with a global footprint that includes over 1,518,927 OFW Savings Accounts and 466,202 Global Filipino Cards issued, PNB continues to extend its commitment to every Filipino — delivering a suite of financial services built around you.



1,518,927 OFW Savings Accounts
466,202 Global Filipino Card

Shaping the Future of Banking, Digitally

GRI 3-3

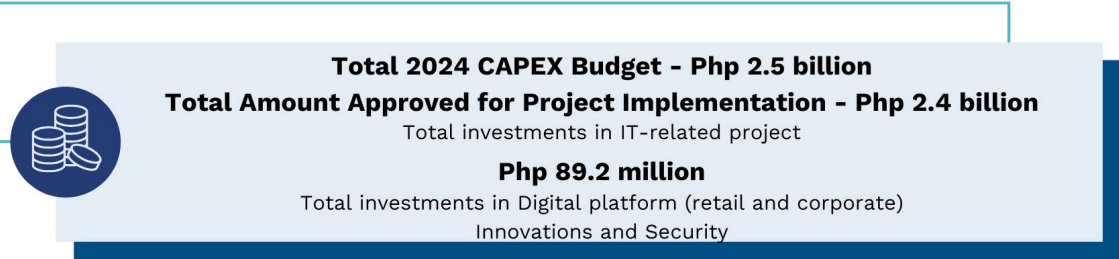
Providing a safe, reliable, and seamless digital experience for our customers drives our mission to deliver innovative financial solutions. Guided by a three-year digital strategy aligned with customer trends, technological advancements, and regulatory standards, we are shaping the future of banking to better serve Filipinos wherever they are.

Our digital transformation efforts are anchored on robust governance and collaboration across the Bank. From strategic approvals by the Board’s IT Governance Committee to operational oversight by dedicated steering committees, every initiative is aligned with enterprise priorities and regulatory frameworks, including the BSP Digital Payment Transformation Roadmap. These initiatives ensure that PNB delivers secure, customer-focused, and forward-thinking digital solutions. In 2024, we have introduced a range of initiatives to elevate the customer experience. Highlights include:

- **Enterprise Fraud Management System (EFMS):** Implemented in October 2024, EFMS is an automated and real-time fraud monitoring and detection systems that can identify and block suspicious or fraudulent online transactions.

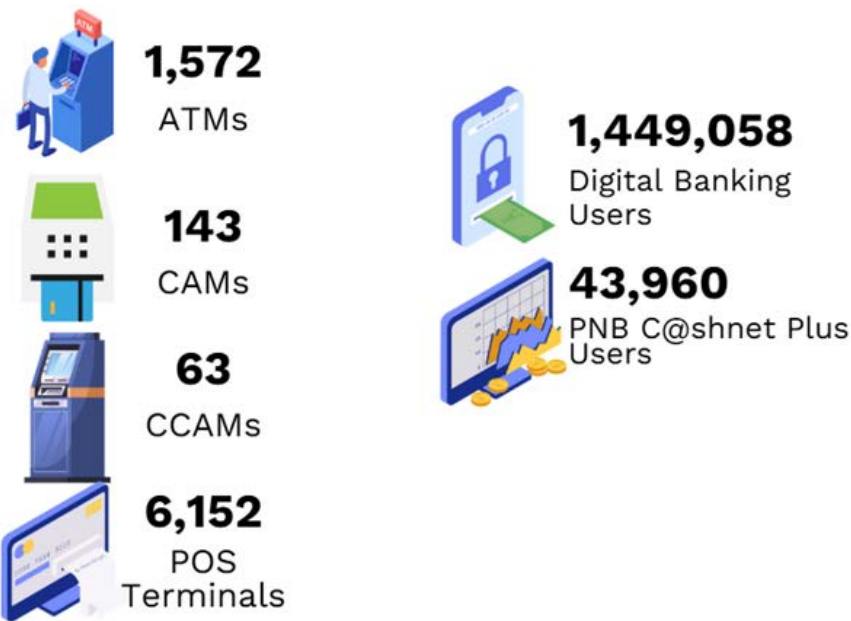


- **Digital Account Opening:** Phase 1, enabling online CASA account opening, set to go live in January 2025, with Phase 2 (eKYC integration) in progress.
- **Bills Pay PH and QR PH (Point of Sale):** Launched in early 2024 to expand payment collection channels, offering more convenient options for customers.
- **In-App Push Notifications:** Implemented in November 2024 to enhance communication and improve customer engagement.
- **Mobile Remittance Applications:** Strengthened the security posture of the PNB Singapore Mobile Remittance App through Soft Token Authentication.



We have also continued automating processes, including e-Statements of Account (e-SOA) and loan origination systems, to shorten turnaround times and reduce the Bank’s environmental footprint. Through continued investment in technology and innovation, with a total of Php 89.2 million allocated for initiatives this year, PNB remains steadfast in its commitment to redefining banking in the digital age, empowering Filipinos to achieve financial prosperity with ease and confidence.

For 2024, the total CAPEX budget for IT-related projects stood at Php 2.5 billion, with Php 2.4 billion already approved for project implementation as part of the Bank’s total investments in ITG.



Comparative Data on Digital Banking Infrastructure, Digital Banking, and Corporate Internet Banking (PNB C@shNet Plus)

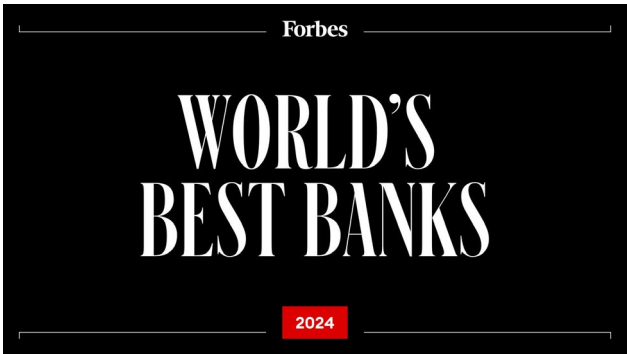
	2022	2023	2024
Banking Infrastructure			
No. of Teller Machines and Terminals			
ATMs	1,575	1,535	1,572
CAMs	145	145	143
Corporate CAMs	29	29	63
POS Terminals	8,367	7,876	6,152
Digital Banking ¹			
Digital Banking enrolled users	1,508,741	1,105,231	1,449,058
Internet Banking (PNB C@shNet Plus)			
Total Enrollments	25,341	23,186	43,960

¹ Bank had Internet and Mobile Platforms in 2022 but there was a migration of PNB Digital Services from Internet Banking to the Mobile Platform in 2023, as part of the Bank's strategy to establish the mobile app as the primary channel for digital financial transactions of PNB clients.



Global Recognition for Excellence in Banking and Innovation

Our digital transformation efforts have earned international acclaim. The PNB Singapore Mobile App was awarded “**Digital Experience of the Year**” at the 2024 Asian Experience Awards, celebrated for its secure, real-time remittance capabilities and user-friendly features.



Furthermore, PNB was named Best Bank in the Philippines by Forbes, rising to the top spot on the 2024 World’s Best Banks list, after placing second in 2023 — a testament to our commitment to excellence in customer service, digital innovation, and financial trustworthiness.

PNB Digital Recognized for Excellence in Customer Service Innovation

PNB Digital, recently earned the Excellence in Customer Service Innovation award at The Digital Banker’s Digital CX Awards 2024 at Marina Bay Sands, Singapore. PNB President Florido Casuela said the honor reinforces the Bank’s commitment to providing the best customer experience, inspiring ongoing innovation in mobile banking. The Digital Banker highlighted the app’s personalized features and enhanced navigation, which contributed to a 42% increase in active users year-on-year — underscoring its ease of use and reliability. The Digital CX Awards recognize innovation in digital customer experience across financial services. In 2023, PNB Digital was also named the Philippines’ Digital Experience of the Year for Banking by the Asian Experience Awards, with registered users surpassing one million.



Safeguarding Customer Confidence

GRI 3-3, 418-1, FN-CB-230a.2, SDG 9, 16

Protecting customer data privacy and ensuring robust security measures remain central to our commitment to building trust. For this reporting year, the Bank is proud to confirm that there were zero data privacy breaches or customer data privacy-related complaints reported to the National Privacy Commission.

PNB’s Enterprise Information Security Management System (ISMS) and Data Privacy Management System (DPMS) underpin our approach to safeguarding customer information.

These systems are fully compliant with the Data Privacy Act of 2012 (DPA), General Data Protection Regulation (GDPR), and Bangko Sentral ng Pilipinas (BSP) regulations. Our overseas branches follow similarly stringent standards, regularly updating operational manuals to meet local regulations with the support of the Office of the Chief Information Security Officer and Data Protection Officer.

Our controls span the entire data lifecycle — whether data is in transit, stored, or processed. Key security measures include encryption protocols, multi-factor authentication, and advanced access controls. Enhanced features on our digital platforms, such as one-time PINs (OTP), Touch ID, digital keys, and real-time alerts via SMS and email, ensure secure transactions for customers.

Our Customer Protection Policy

The Bank is committed to safeguarding the rights and interests of our customers through a robust Consumer Protection Policy that ensures transparency, fairness, and responsiveness in all our engagements. PNB provides a structured and efficient Consumer Assistance Mechanism to handle customer concerns promptly. All reported complaints are systematically recorded, monitored, and resolved in a timely manner. To ensure accountability and continuous improvement, a Customer Engagement and Consolidated Complaints Report is submitted monthly to the Management Committee and the Board Risk Oversight Committee for oversight and decision-making. In compliance with BSP regulations, the Bank submits a Consolidated Complaints Report on a quarterly basis.

To enhance customer experience and service quality, PNB actively gathers qualitative feedback through multiple channels such as: 1) After-Call Surveys for inquiries and concerns handled via our customer hotline (8573-8888); 2) Monthly satisfaction surveys covering both call and email engagements. These insights help us refine our products, services, policies, and customer engagement strategies.

Integration of Environmental & Social (E&S) Risk Considerations in our Policy

As part of our sustainability commitment, PNB continues to integrate Environmental & Social (E&S) risk factors into its customer service framework. The CED has updated its risk categories to recognize potential E&S risks, including:

- Service disruptions due to environmental events affecting power, telecommunications, and banking systems.
- Physical damage to banking infrastructure such as branches, ATMs, and CAMs (Cash Acceptance Machines) caused by climate-related incidents.
- Data security risks such as privacy breaches, data loss, and cyber threats arising from environmental disruptions.

To strengthen monitoring and response mechanisms, the Enhanced Customer Relationship Management (ECRM) System now includes E&S risk-related complaints related to the Bank’s operations and services. These reports are also incorporated into the BSP-Supervised Financial Institutions Consolidated Complaints Report (BCCR) for regulatory compliance and risk management. Initial reporting of E&S risk-related complaints began in December 2023, and the Bank continues to enhance its processes in 2024.



Fraud Prevention and Control



PNB has intensified fraud prevention measures across all operations. Our branch-level processes include strict customer identification, enhanced due diligence, and regular audits to mitigate risks. Enhanced procedures for high-risk accounts, along with maker-checker functions and Risk and Control Seminars for branch personnel, reinforce our fraud prevention framework.

The EFMS, combined with improved web facility security and operational controls, ensures that fraud risks are addressed comprehensively. For hybrid work arrangements, security controls like device encryption, VPNs, and web security tools safeguard sensitive data, even in remote environments.

Customer Transparency and Regulatory Compliance

PNB consistently prioritizes transparent communication with customers. The PNB Data Privacy Statement, accessible on the Bank’s website, outlines how we process and protect personal data. In 2024, the Bank continues its phishing and fraud awareness campaigns through personalized advisories sent via email, SMS, and social media to keep customers informed about emerging threats.

PNB’s compliance extends to regular assessments, including Privacy Impact Assessments (PIAs) and Third-Party Information Security Risk Assessment (TPISRA) aligned with ISO 27001 standards. Risk management practices are overseen by the Risk Oversight Committee and reported to regulators as required.

Responsible Marketing and Labeling

GRI 3-3, 417-1, 417-2, 417-3

PNB’s marketing and labeling practices prioritize accuracy, clarity, and relevance. All product and service information is designed to empower customers to make informed decisions, with clear descriptions, terms, and conditions provided. Our adherence to the BSP Consumer Protection Framework and internal policies (e.g. PNB Consumer Protection Policy) ensures compliance with all regulations governing marketing communications.

In 2024, there were no reported incidents of non-compliance with marketing and labeling requirements, nor any violations of regulations or voluntary codes related to advertising, promotion, and sponsorship.

Sustainability in Branding Practices

In alignment with the Bank’s environmental thrusts, PNB has actively taken steps to reduce the use of non-recyclable and non-biodegradable materials in its marketing efforts. During the Christmas season, the Marketing Group eliminated plastic packaging in the distribution of branded eco-bags and will continue to explore sustainable alternatives, such as incorporating recycled plastic into product offerings like plastic cards (e.g. debit and credit cards).



Celebrating the Filipino Spirit in PNB’s Rebranding Campaign

“Every Step Together pays tribute to the traditional Filipino values of hard work, resilience, and love of family. It’s about their struggles, about seeing their ambitions coming true, with PNB by their side — taking each step with them.”
-Jennifer Y. Ng, PNB Senior VP and Marketing Group Head

PNB has turned its timeless brand promise, “Every Step Together,” into a powerhouse campaign that has captured hearts and earned local and international recognition. In 2024, the campaign clinched two prestigious awards: “Best Branded Digital Ad” at the Catholic Mass Media Awards (CMMA) and “Rebranding Campaign of the Year” at the Asian Banking and Finance Retail Banking Awards.

Launched in December 2023, the campaign pays homage to PNB’s legacy of guiding Filipinos toward financial prosperity. Rooted in real-life stories, it resonates with the enduring Filipino values of resilience, hard work, and familial love. Distributed across print, TV, and digital platforms like Facebook, Instagram, and YouTube, the campaign forged an emotional connection with audiences by highlighting how PNB supports its customers in every stage of their journey.



Accessible Banking for Everyone

Promoting Financial Literacy and Inclusion

GRI 3-3, FN-CB-240a.4

At PNB, we believe that financial empowerment is a key driver of sustainable growth and inclusive prosperity. The Bank continues to leverage technology to bridge the gap in financial access. By the end of the year, 1,449,058 users — 50% of the eligible base — enrolled in the PNB Digital App, demonstrating our progress in empowering individuals with seamless digital banking solutions. Additionally, 43,960 corporate accounts (54% penetration rate) are now enrolled in PNB C@shNet Plus, enabling businesses to manage their finances efficiently.

These digital platforms not only enhance accessibility but also promote convenience and financial inclusion by reaching underserved and geographically dispersed communities.

In 2024, PNB expanded its financial literacy and wellness programs and cybersecurity awareness, reaching over 5,507 participants through a range of learning sessions, trainings, webinars, and roundtable discussions. These were conducted both locally and abroad via face-to-face and virtual platforms, including MS Teams, Zoom Meetings, and Facebook Live.

The topics covered practical and impactful areas, such as:

- Money Management and Saving Tips: Teaching participants how to budget effectively and set financial goals.
- Growing Money Through Investing: Introducing opportunities to build wealth and achieve long-term security.
- Economic and Market Forecasts: Providing individuals with insights to make informed financial decisions.

These initiatives targeted a diverse group of participants, including, but not limited to, depositors, borrowers, professionals, entrepreneurs, students, teachers, OFWs and their dependents, and even church and community organizations. PNB also partnered with key institutions such as BSP, DTI, Bureau of the Treasury, SEC, Pag-IBIG, The Philippine Bayanihan Society Singapore (PBSS), and the Philippine Chamber of Commerce in Singapore to amplify our financial inclusivity initiatives.

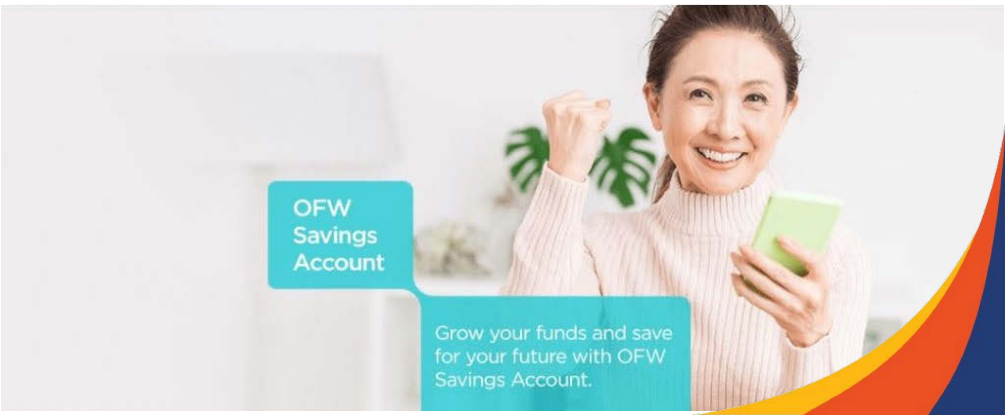
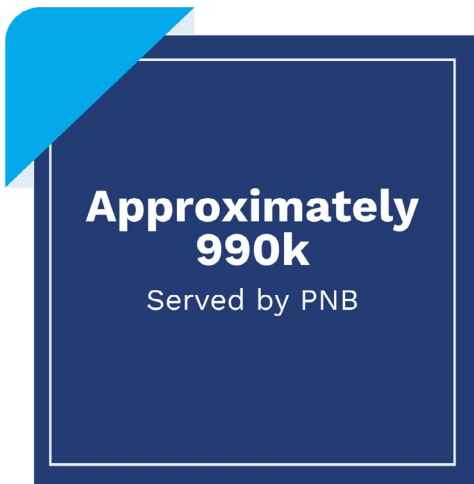


Our financial literacy and inclusion programs are not just about numbers — they are about transforming lives. By teaching individuals to save, invest, and plan for their future, we contribute to reducing economic disparities and fostering resilience in communities. These programs also serve as a platform to promote PNB’s products and services, ensuring that every Filipino has access to financial tools that meet their unique needs.

Global Reach with Local Support: OFWs at the Heart of PNB

PNB recognizes the vital role of OFWs in driving the Philippine economy through their hard work and remittances. To support their unique needs, PNB offers tailored services, including the OFW Savings Account, which provides interest earnings and a PNB-PAL Mabuhay Miles OFW Savings Debit Mastercard. This card enables global access at millions of ATMs and merchants, while earning Mabuhay Miles points for added value.

With a robust international network of over 71 overseas branches, representative offices, remittance centers, and subsidiaries across Asia, Europe, the Middle East, and North America, PNB ensures seamless financial access for OFWs wherever they are. Our fast, secure, and reliable remittance services provide peace of mind, ensuring their hard-earned money reaches their loved ones promptly, bridging the distance and strengthening family bonds.



Environment: Stewardship for a Sustainable Future

Summit for Sustainable Growth: Breaking Barriers, Enabling Pathways

PNB hosted the Sustainability Thought Leadership Workshop with the theme “Summit for Sustainable Growth — Enabling Pathways, Breaking Barriers” last November 2024. The event brought together PNB’s Board and Senior Management with experts from IFC, S&P Global, UPLB, and WWF to drive sustainable banking.

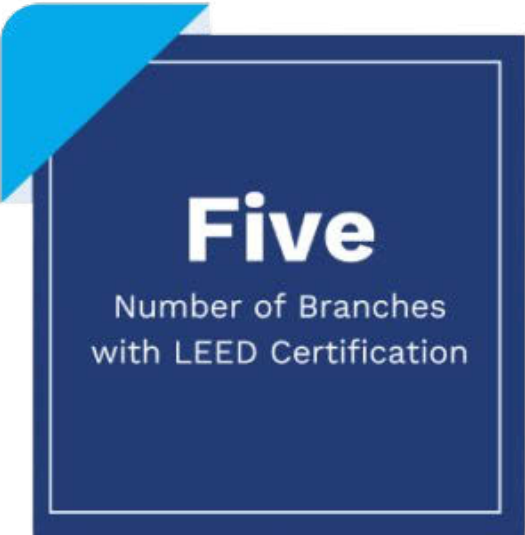
“Sustainability is central to resilience,” stated PNB Chairman Edgar Cua, stressing that businesses must embrace it to mitigate risks and seize opportunities. Discussions covered key ESG trends:

- WWF’s Edgardo Tongson assessed Banks’ ESG performance.
- IFC’s Quyen Thuc Nguyen tackled global sustainability strategies.
- IFC’s Paul Xavier Espinosa discussed climate risk integration.
- IFC’s Oluwatoyin Alake highlighted financing for green projects.

A fireside chat featuring PNB leaders and S&P Global’s Terrence Teoh explored how leadership can drive ESG transformation. On the other hand, UPLB’s Bernadette Tongko-Magadia revisited the Bank’s ESRMS and recommended decarbonization strategies followed by breakout sessions covering various topics such as sustainable financing for green projects, climate risk management, decarbonization and GHG reduction, and boosting sustainability awareness. The event ended with a symbolic gardening activity, reinforcing PNB’s pledge to sustainability symbolizing the growth of the seeds in driving lasting ESG impact.



Going Beyond Compliance



The Bank ensures full compliance with local and international laws governing its operations, reinforcing its commitment to sustainability and responsible business practices. In 2024, we institutionalized processes for monitoring and addressing ESG-related non-compliance incidents, leveraging data to implement measures such as employee training, enhanced monitoring systems, and waste reduction initiatives.

PNB also integrates energy-efficient technologies, reduces paper consumption through automation, and collaborates with academic experts and NGOs to meet its annual greenhouse gas reduction targets, which will be further detailed in the Our Emissions section of the report.



Passed the Pre-Certification ISO Audit for PNB Readiness on ISO/IEC 27001:2022 ISMS for Office of the CISO/DPO in December 2024

ISO Certifications and Other Certifications

Climate-Related Risks and Opportunities

SDG 13

Governance

PNB recognizes the financial and operational challenges posed by climate-related risks, including physical risks, as well as the opportunities arising from addressing these issues. Oversight of these risks is integrated into the Bank’s governance framework through regular reporting to the Risk Oversight Committee and Management Risk Committee. The Enterprise Business Continuity Plan (BCP) Manual and Crisis Management Plan are Board-approved to ensure strategic alignment in managing climate risks effectively.

Strategy

The Bank integrates climate considerations into its strategic planning by identifying short, medium, and long-term climate risks and opportunities. These include potential financial impacts from physical risks, such as damage to assets caused by extreme weather, and transition risks linked to shifting regulations and market dynamics. By raising awareness and implementing risk management measures, PNB ensures the resilience of its strategy while identifying opportunities for sustainable growth, such as financing projects aligned with climate adaptation and mitigation.

Risk Management

GRI 3-3, 201-2

Climate-related risks are systematically monitored through tools such as Risk and Control Self-Assessments (RCSA) and Business Continuity Risk Assessments (BCRA). These processes evaluate risks such as physical damage to assets, business disruptions, and environmental uncertainties. The Bank’s Crisis Management Plan and Disaster Recovery Plan address operational disruptions, while insurance coverage protects against significant potential losses. In 2024, we identified several risks associated with our operations, largely influenced by the Philippines’ vulnerability to natural disasters. Understanding these challenges enables us to strengthen our risk management strategies, ensuring the resilience of our operations while safeguarding the interests of our stakeholders.



Climate and Sustainability-Related Risks and Opportunities

Risk/Opportunity	Direct & Indirect Impacts	Potential Impact	Likelihood	Magnitude of Impact
Typhoon Tropical cyclone bringing strong winds and heavy rains	Transportation disruption, flooding, threat to health and safety, damage to properties			
Storm Surges Abnormal rise of water generated by storms	Transportation disruption, flooding, damage to properties, and threat to health and safety			
Volcanic Eruption Spew of hot gases, ash, lava, and rock that are powerfully destructive	Threat to health, water contamination, air pollution, and damage to properties			
Drought Prolonged dry period in the natural climate cycle	Water scarcity, damage to agriculture, food shortage			
Tsunami Series of long waves caused by a large and sudden displacement of the ocean	Threat to health and safety, damage to properties, flooding			
Tornado Violently rotating column of air	Threat to health and safety, damage to properties			
Subsidence & Landslides Sliding down of a mass of land	Threat to health and safety, damage to properties			
Earthquake Shaking of Earth's surface with varying intensities	Threat to health and safety, damage to properties			
Legend: Potential Impact - Damage to physical assets - Business disruptions - Increased operational costs/financial losses Likelihood - Low - Medium - High Magnitude of Impact - Low - Medium - High				

Metrics and Targets

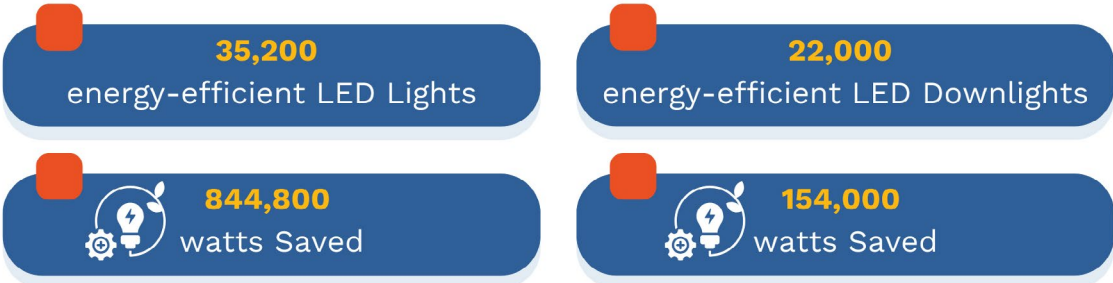
PNB monitors and reports climate-related risks and opportunities using a range of metrics, including loss event reporting and risk assessments. Business units are required to submit monthly Loss Event Reports (LER) detailing disruptions and damages caused by natural disasters. To further integrate climate resilience, the Bank aims to complete risk assessments of environmental and social risks across all units.

Our Environmental Performance

Fuel and Power Consumption

GRI 3-3, 302-1, 302-4

PNB has adopted a range of measures to enhance energy efficiency. Across our corporate offices, branches, and overseas facilities, we have replaced conventional lighting fixtures with energy-efficient LED lights and upgraded to inverter-type air conditioning units. Employees are encouraged to power down non-essential equipment and lights during breaks and after office hours. Overseas branches, such as those in Hong Kong and Singapore, complement these efforts by leveraging centralized air conditioning and employing energy-saving practices specific to their operating environments.



To minimize fuel consumption, PNB conducts quarterly preventive maintenance for its generators to ensure optimal performance and fuel efficiency. In domestic branches, site inspections and official travels are consolidated to reduce trips, with employees encouraged to adopt energy-efficient commuting practices, such as biking. Energy efficiency and environmental considerations are factored into decision-making when evaluating future property investments.

We continue to explore transitioning employee computers from desktops to energy-efficient laptops to further lower electricity consumption. Additionally, centralized air conditioning is switched off at head offices after business hours to save power.

While PNB does not currently apply for energy ratings or invest in renewable energy directly, we align with the sustainability goals set by host governments where applicable, such as in Hong Kong and Singapore. These efforts aim to meet local energy-reduction targets while maintaining compliance with relevant regulations.

As part of the Bank’s commitment to sustainability, we closely monitor and manage fuel and power consumption across our domestic and overseas offices. In 2024, PNB’s fuel consumption totaled 110,020.00 L, while electricity consumption reached 22,057,593.16 kWh.

Water Consumption

GRI 3-3, 303-1, 303-2

PNB recognizes the importance of managing water resources responsibly, even though water is not a material resource for its financial operations. In 2024, PNB consumed 383.79 megaliters of water. The Bank continued its efforts to enhance water efficiency and minimize consumption across its facilities. Water usage primarily supports cooling systems, sanitation, and general cleanliness within corporate offices and branches. At the PNB Financial Center, water is sourced from Maynilad and undergoes treatment at the Sewage Treatment Plant (STP) before being safely discharged into Manila Bay. This ensures compliance with national environmental standards.

While direct water recycling systems are not in place, the Bank continues to coordinate with building management and explore further opportunities to integrate sustainable water management practices.

Monitoring Our Emissions

GRI 3-3, 305-5

The Bank actively monitors its greenhouse gas (GHG) emissions across Scope 1 and Scope 2. Using an enterprise-wide GHG Accounting Emission Tool, we assess emissions annually, including fuel consumption for generator sets, electricity usage in offices and branches, and indirect emissions from employee commuting and office supply usage. In 2024, PNB accounted a total Scope 1 emissions of 269.77 metric tons CO₂e, primarily from fuel consumption in generator sets, and Scope 2 emissions of 15,591.61 metric tons CO₂e, stemming from electricity consumption across corporate offices and branches.

We aim to reduce GHG emissions annually. Key actions include upgrading to energy-efficient LED lighting, implementing digital workflows to minimize paper use, and optimizing travel plans to reduce fuel consumption. Our environmental management practices ensure compliance with national and international standards while fostering a culture of sustainability within the organization.

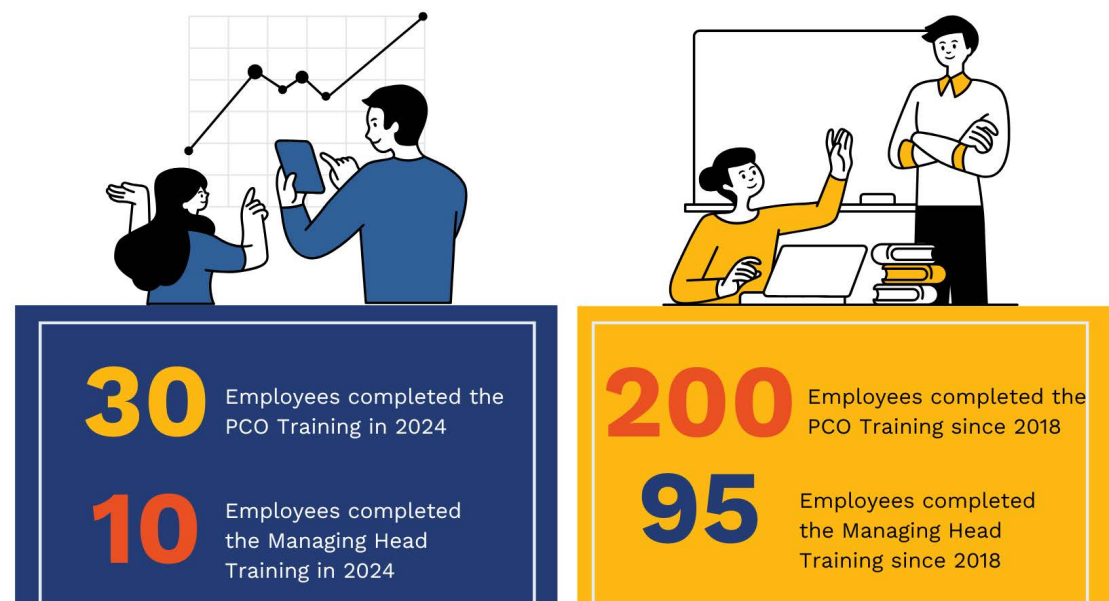
To further enhance our impact, we are preparing to engage with suppliers in 2025, driving them to align with PNB’s sustainability goals by disclosing their own emissions data and adopting environmentally-responsible practices.

Material and Waste Management

GRI 3-3, 306-1, 306-2

At PNB, we recognize the importance of responsible material consumption and waste management in fostering sustainability across our operations. While paper remains a significant input, which consequently increased our consumption particularly in our domestic and overseas branches, we actively promote digitization, double-sided printing, and the use of electronic communication to reduce paper waste. Defective equipment, including furniture and fixtures, are repaired and reused to prolong their lifecycle, minimizing unnecessary disposal.





Our waste management system includes proper segregation and recycling initiatives, ensuring biodegradable and non-biodegradable materials are handled responsibly. Solid waste disposal is managed by third-party providers, with Pollution Control Officers (PCOs) overseeing compliance with local and national regulations. We aim to transition towards a circular economy by integrating reusable materials, reducing packaging, and creating awareness among employees and stakeholders to further minimize waste generation. These efforts not only support environmental sustainability but also optimize operational efficiency and reduce costs.



Sustainable Sourcing and Supply Chain Management

Considering that sustainable sourcing and supply chain management are integral to our operations, we ensure that all procurement activities align with our ESG principles. The Bank follows a structured procurement process to uphold quality standards and adherence to policies.

PNB Procurement Process



To support local economies and reduce transportation costs, we prioritize sourcing from local vendors for our provincial and overseas branches. Vendor accreditation and management are handled by the Accreditation and Vendor Management Department (AVMD), which has implemented enhanced processes for risk assessment and due diligence. Updates to vendor-related documentation now include ESG criteria such as gender diversity, compliance with environmental regulations, and adherence to labor and social standards.

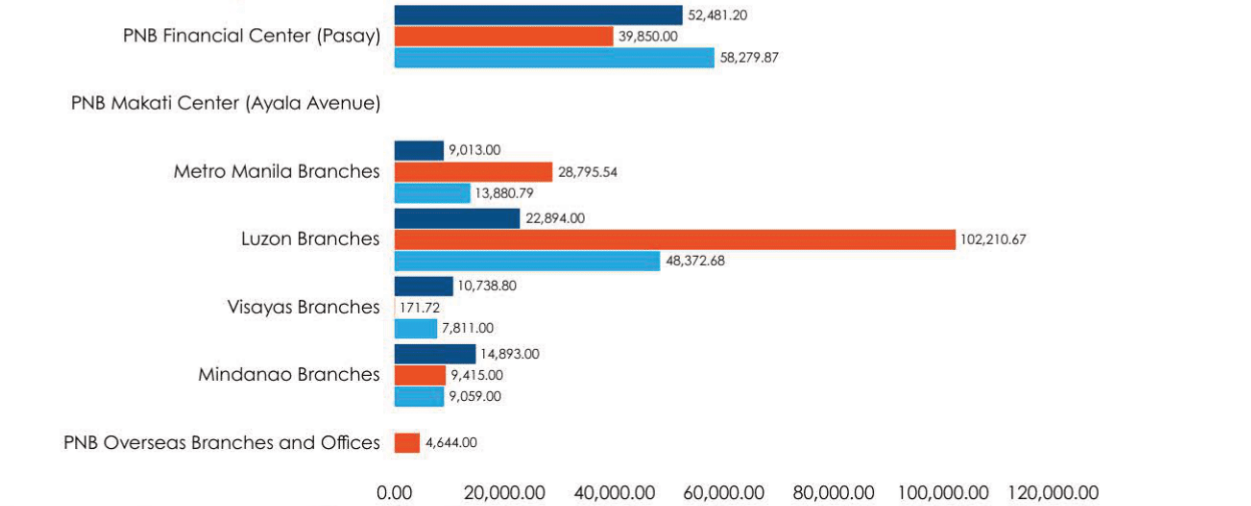


PNB Resource Consumption

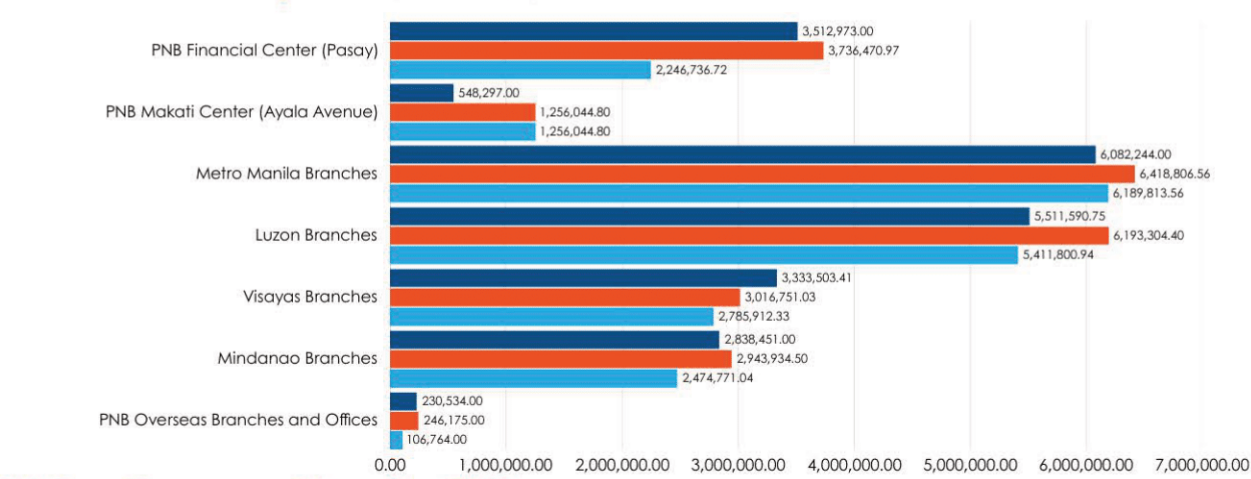
GRI 2-4

Legend: 2024 2023 2022

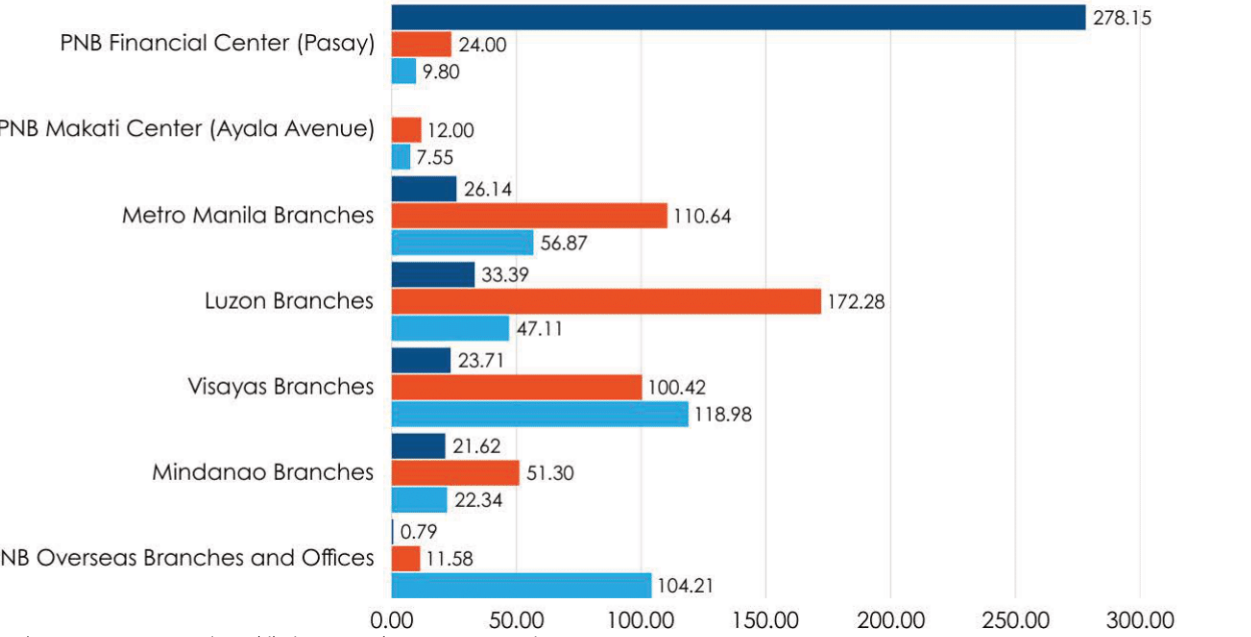
Fuel Consumption (in Liters) Total Fuel Consumption (2024) is 110,020 L



Power Consumption (in kWh) Total Power Consumption (2024) is 22,057,593.16 kWh



Water Consumption (in ML)*Total Water Consumption (2024) is 383.79 ML



*In 2024, 90% are onsite, while in 2023 only 60-70% are onsite.

Breakdown of the Bank's Fuel Usage in 2024 GRI 302-1

Facility/Site	Fuel Diesel (Liters)	Fuel Gasoline (Liters)	Bank Vehicles (Gasoline/Liters)	Bank Vehicles (Diesel/Liters)	Equivalent in Gigajoules
PNB Financial Center (Pasay)	14,011.53	0.00	23,189.09	15,280.09	1,386.51
PNB Makati Center (Ayala Venue)	0.00	0.00	0.00	0.00	0.00
Metro Manila Branches	5,828.00	3,185.00	0.00	0.00	350.60
Luzon	20,960.00	1,934.00	0.00	0.00	927.68
Visayas	10,736.00	2.80	0.00	0.00	440.60
Mindanao	13,795.00	1,098.00	0.00	0.00	604.44
Overseas	0.00	0.00	0.00	0.00	0.00
TOTAL	65,330.53	6,219.80	23,189.09	15,280.09	3,709.83

Energy Intensity

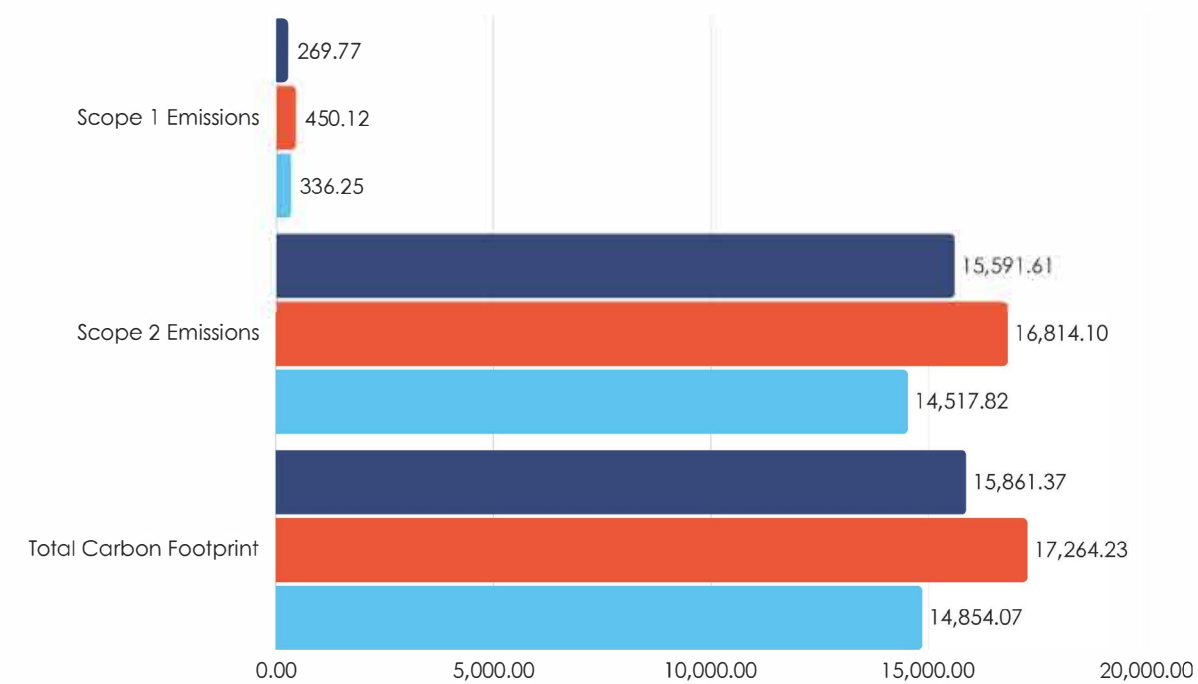
GRI 302-3

Facility/Site	Consumption	Floor Area	Energy Intensity (kWh/m²)
Metro Manila	6,082,244.00	47,620.05	127.72
Luzon	5,511,590.75	41,854.72	131.68
Visayas	3,333,503.41	30,900.69	107.88
Mindanao	2,838,451.00	19,046.37	149.03
AVERAGE TOTAL			127.42

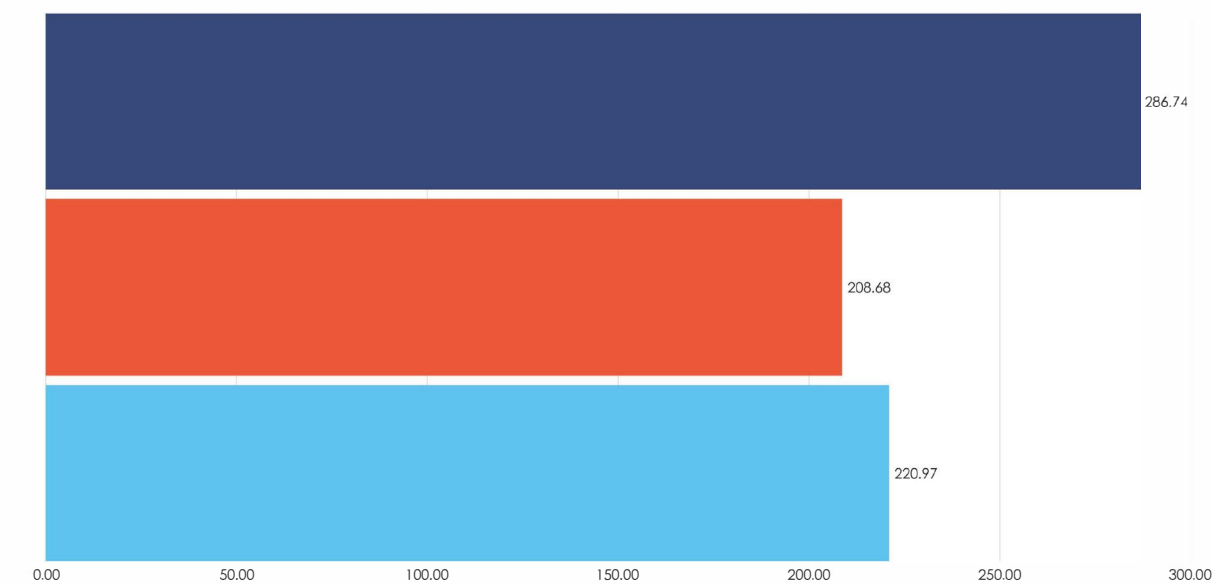
Water Withdrawn, Discharged, and Consumed (ML) GRI 303-3. 303-4. 303-5

Facility/Site	Water withdrawn (in ML)	Water Discharged (in ML)
PNB Financial Center (Pasay)	278.15	278.15
PNB Makati Center (Ayala Avenue)	0.00	0.00
Metro Manila Branches	26.14	26.14
Luzon Branches	33.39	33.39
Visayas Branches	23.71	23.71
Mindanao Branches	26.62	26.62
PNB Overseas Branches and Offices	0.79	0.79
TOTAL	383.79	383.79

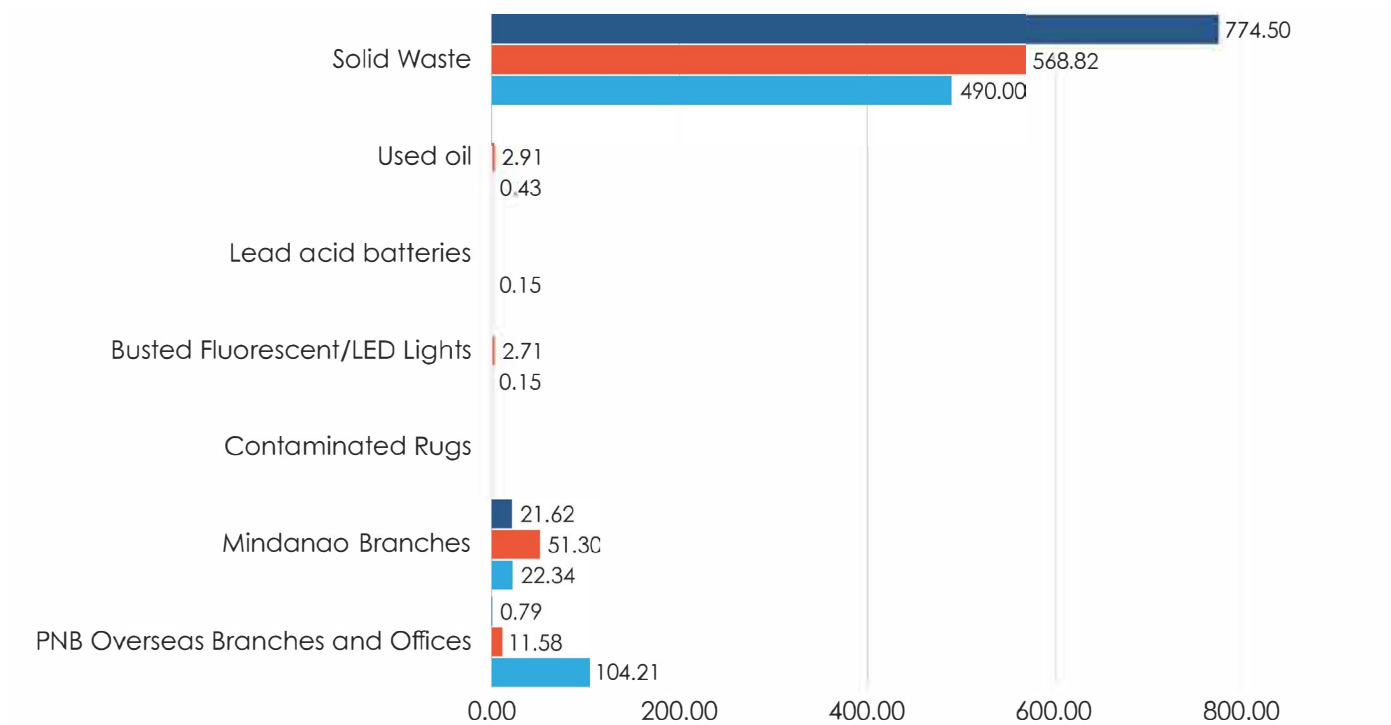
Emissions GRI 305-1, 305-2, 305-4



Paper Consumption (in MT)



Common types of wastes from the PNB Head Office (in MT)



GRI 306-3, 306-4, 306-5

Common Types of Wastes from the Branches (in MT)															
Waste Category	Metro Manila Branches			Luzon Branches			Visayas Branches			Mindanao Branches			Overseas Branches		
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Solid Waste (i.e., paper wastes, construction debris, elevator parts, tree branch cuttings, etc.)	5,518.38	20.02	48.78	49.50	24.86	44.65	7.15	52.49	20.11	3.40	0.77	24.24	1.00	4.26 ¹	149.36
Used oil (i.e., from gensets during power outages and weekly testing)	0.01	0.00	0.00	1.22	2.07	0.00	0.03	0.55	0.00	0.10	0.05	0.00	0.00	0.00	0.00
Lead Acid Batteries (from gen sets)	0.00	1.50	0.00	1.01	-0.75	0.00	0.01	2.83	0.00	0.41	0.01	0.00	0.00	0.00	0.00
Busted Fluorescent /LED Lights	821.39	0.37	0.00	0.00	2.58	0.00	0.05	0.12	0.00	0.17	1.04	0.00	0.00	0.00	0.00
Contaminated Rugs	0.00	0.00	0.00	2.24	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Expired Paints	0.00	0.00	0.00	2.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ozone depleting substances (i.e., aerosol spray cans for disinfectants, air fresheners, etc.)	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Electronic Wastes (i.e. old defective machines, old/broken-IT-related equipment/peripherals, etc.)	0.00	0.16	0.33	2.08	1.98	1.34	0.00	0.00	0.37	0.00	0.00	0.36	1.00	0.00	0.00

¹ Data on solid wastes reported by IBRG was from PNB Tokyo, PNB Europe, and PNB Los Angeles.



Social: Together for Better

Caring for Our People

PNB supports employee participation in achieving corporate goals by encouraging shared responsibility and collaboration. The Bank's commitment to fair employment practices, including regularization and limiting outsourcing to non-core functions, ensures stability and equity within the workforce. Annual human capital risk assessments further demonstrate PNB's dedication to fostering a secure and productive workplace.

Our Employee Compensation and Benefits Package

GRI 3-3

At PNB, we prioritize fairness and non-discrimination in our employee compensation and benefits. Salaries are based on role, performance, experience, and tenure, ensuring equity across the organization. Our compensation packages are regularly reviewed to remain competitive and are aligned with labor laws, industry practices, and Collective Bargaining Agreement (CBA), with changes approved by the Corporate Governance and Sustainability Committee and the Board of Directors.

PNB offers a comprehensive range of benefits, including vacation, sick, and emergency leaves, as well as special leaves such as birthday leave, solo parent leave, and leaves for victims of violence under the Anti-Violence Against Women and their Children (VAWC) Act. Employees enjoy healthcare coverage, group life insurance, retirement plans, loyalty awards, rice subsidies, uniforms or clothing allowances, holiday pay, and allowances for team-building activities. Specific roles also receive hazard pay and fuel allowances.

In 2024, we continued to offer Flexible Leave Monetization for employees facing financial emergencies. Our support extends beyond employment. Healthcare coverage is available for dependents, while healthcare benefits of mandatory retirees can be extended for up to five years. Scholarships for qualified dependents may also be availed through a program in partnership with Tan Yan Kee Foundation, Inc. Beyond labor compliance, we also offer telecommuting options and loans for housing, vehicles, and other needs, underscoring our commitment to employee well-being and long-term satisfaction.

Benefits Breakdown in 2024 GRI 401-2

Benefits	# of women who availed	% of women who availed	# of men who availed	% of men who availed
SSS (Loan, Sickness, Maternity)	1,078	69%	490	31%
PhilHealth	448	82%	97	18%
PAG-IBIG	690	67%	338	33%
Parental Leave	312	78%	89	22%
Vacation Leave	5,200	66%	2,691	34%
Sick Leave	4,644	67%	2,258	33%
Housing assistance (aside from PAG-IBIG)	11	79%	3	21%
Retirement fund (aside from SSS)	231	62%	144	38%
Telecommuting	612	7%	320	4%
Flexible Working Hours	717	8%	524	6%

Parental Leave GRI 401-3

	Female	Male	Total
Total number of employees that were entitled to parental leave	323	95	418
No. of qualified employees who took parental leave	312	89	401
No. of qualified employees who took parental leave and returned after the leave expired	296	83	379
Return to work rate	94.87%	93.26%	94.51%
Among those who availed the parental leave in 2023 how many of them returned and are still with the Bank in 2024	280	83	363
Total number of employees that took parental leave in 2023	289	84	373
Retention Rate	96.89%	98.81%	97.32%

Solo Parental Leave GRI 401-3

	Female	Male	Total
Total number of employees that were entitled to parental leave	159	11	170
No. of qualified employees who took parental leave	157	11	168
No. of qualified employees who took parental leave and returned after the leave expired	152	9	161
Return to work rate	96.82%	81.82%	95.83%
Among those who availed the parental leave in 2023 how many of them returned and are still with the Bank in 2024	159	11	170
Total number of employees that took parental leave in 2023	163	11	174
Retention Rate	97.55%	100.00%	97.70%

Philnabankers in Service

GRI 3-3, SDG 5, 8, 10

At PNB, our recruitment process is grounded in fairness and objectivity, focusing on candidates' skills, competencies, and potential. We employ reliable tools and unbiased methods to ensure a workforce that aligns with our values of diversity, equality, and inclusion.

As of December 31, 2024, PNB employed 8,816 full-time employees. To support work-life harmony, 932 or 11% of employees adopted alternative work arrangements (AWA) during the reporting period.

We encourage flexible career paths through employee movements across departments, ensuring talent retention, motivation, and optimal contributions. In 2024, we had 1,419 new hires comprising 16.10% of the total employee population. There are 966 (68.08%) female new hires while 453 (31.92%) are male new hires. Our hiring rate increased by 32.74% from the 1,069 new hires in 2023. We had more female new hires for the last four consecutive years. Majority of our new hires are from ages 30 years old and below (72.09% or 1,023). Additionally, the Bank engages consultants and outsourced personnel for specific projects to meet business needs.

PNB continues to nurture future talent through its On-the-Job Training (OJT) Program. In 2024, 906 students from 85 colleges and universities participated, gaining practical corporate exposure and forming a potential talent pipeline for the Bank to attract new talent, we emphasize our culture of work-life balance, hybrid work arrangements, and competitive benefits during recruitment. Strengthening academic partnerships, participating in career fairs, and leveraging social media broaden our talent pool. While challenges such as high salary expectations, limited qualified candidates for critical roles, and competitive hiring practices persist, we continuously refine our strategies to remain an employer of choice.

	Gender	No. of Employees	Percentage	TOTAL
2022	Female	5,523	66%	8,318
	Male	2,795	34%	
2023	Female	5,500	66%	8,327
	Male	2,827	34%	
2024	Female	5,853	66%	8,816
	Male	2,963	34%	

Employee Breakdown by Contract, Position, Gender, and Age for 2024

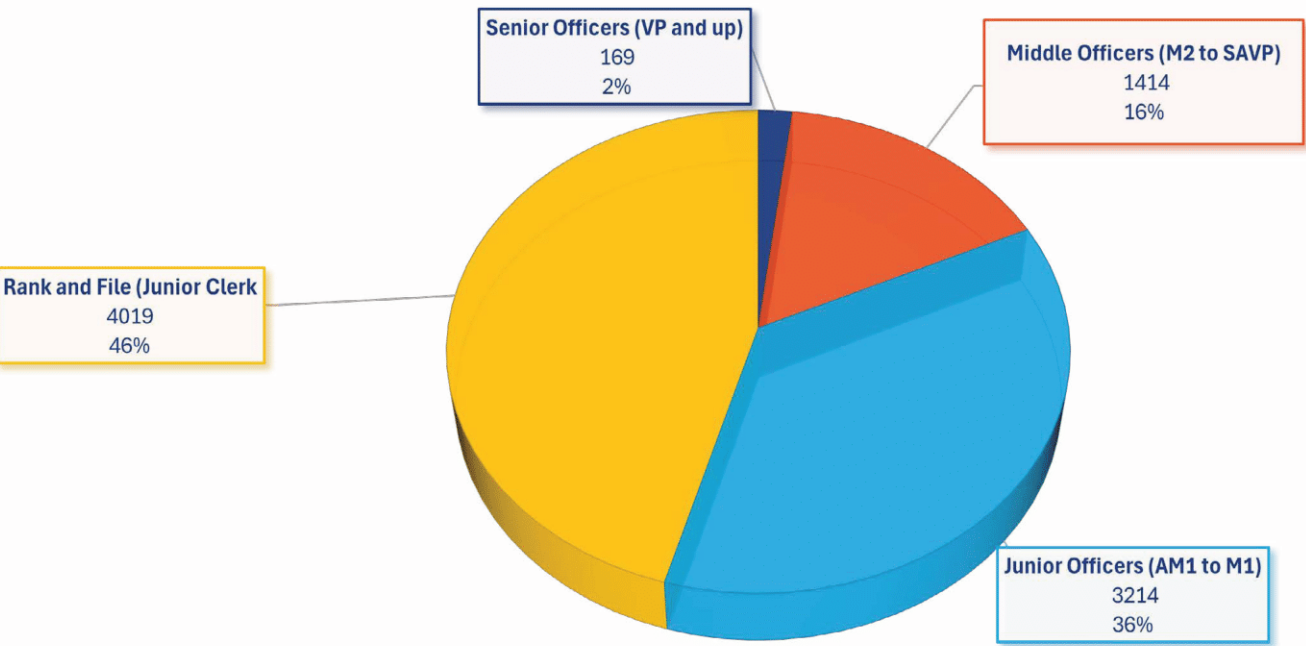
Category Contract	Male			Female			TOTAL
	<30 yrs. old	30-50 yrs. old	>50 yrs. old	<30 yrs. old	30-50 yrs. old	>50 yrs. old	
Regular	601	1,656	473	1,322	3,000	1,004	8,056
Probationary	128	81	2	403	84	3	701
Contractual/Fixed Term	-	-	22	-	-	37	59
Position							
Senior Officers (VP and up)	-	21	55	-	25	68	169
Middle Officers (M2 to SAVP)	9	321	207	10	439	428	1,414
Junior Officers (AM1 to M1)	135	803	151	217	1,510	398	3,214
Rank and File (Junior Clerk to Senior Specialist)	585	592	84	1,498	1,110	150	4,019
TOTAL	729	1,737	497	1,725	3,084	1,044	8,816

Employee Breakdown by Gender and Island Group for 2024

	Region	No. of Employees	TOTAL
Female	NCR	3,208	5,853
	Luzon	1,384	
	Visayas	724	
	Mindanao	532	
	Overseas*	5	
Male	NCR	1,800	2,963
	Luzon	519	
	Visayas	307	
	Mindanao	332	
	Overseas*	5	
TOTAL			8,816

*Overseas employee’s expatriates from head office sent to overseas offices

Percentage Breakdown per Rank



Breakdown per Gender and Rank

Rank	2024		
	Female	Male	Total
President	0	1	1
Executive Vice President	0	3	3
First Senior Vice President	6	8	14
Senior Vice President	14	11	25
First Vice President	19	16	35
Vice President	54	37	91
Senior Asst. Vice President	86	49	135
Assistant Vice President	138	121	259
Senior Manager	252	174	426
Manager 2	401	193	594
Manager 1	701	324	1,025
Assistant Manager 2	854	407	1,261
Assistant Manager 1	570	358	928
Senior Specialist	218	138	356
Specialist	214	104	318
Senior Assistant	385	191	576
Assistant	716	315	1,031
Senior Clerk	1,225	513	1,738
Junior Clerk	0	0	0
TOTAL	5,853	2,963	8,816

Breakdown per Group

Group	2024		
	Female	Male	Total
Customer Finance Sector ¹	329	205	534
Office of the Corporate Secretary	17	9	28
Credit Management Group	114	141	255
Enterprise Services Sector	186	190	376
Financial Management, Strategy, and Sustainability Sector ²	114	48	162
Global Banking and Markets Sector	59	42	101
Global Compliance Group	40	24	64
Human Resource Group	65	27	92
Information Technology Group	152	293	445
Institutional Banking Sector ³	228	96	324
Internal Audit Group	96	55	151
International Banking & Remittance Group ⁴	25	18	43
Marketing and Brand Management Sector	39	23	62
Office of the Corporate Treasurer	19	2	21
Office of the President	3	2	5
Operations Group	541	486	1,027
Retail Banking Sector	3,608	1,189	4,797
Enterprise Risk Management Group	65	37	102
Trainees (BOTP, JEDI, MTP)	89	45	134
Trust Banking Group	64	31	95
TOTAL	5,853	2,963	8,816

¹ Consumer Finance Sector was created consolidating Cards and Payments Solutions Group (CPSH) and Retail Lending Group effective October 2023.

² Financial Management Sector (FMS) was renamed to Financial Management, Strategy, and Sustainability Sector (FMS-SS) to include the Corporate Sustainability and Social Responsibility Division (reclassified from Department to Division effective August 2024) which used to belong to the Public Affairs Group.

³ Dissolution of International Transaction Banking Group (ITBG) and Structuring & Execution Division (SED) from Institutional Banking Sector effective June 2024.

⁴ Transfer of supervision of International Banking & Remittance Group From Retail Banking Sector to the Office of President effective from June 2024.

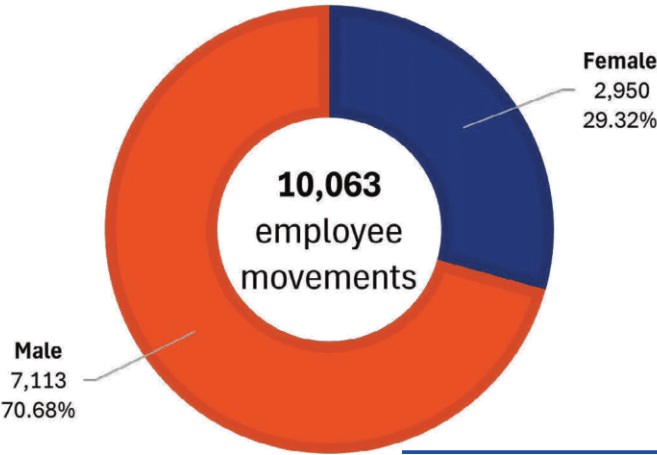
Breakdown of New Hires per Age and Gender GRI 401-1

Age Range of New Hires	2024			2023			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
<30 years old	307	151	458	502	234	736	745	278	1,023
30-50 years old	120	78	198	183	131	314	201	160	361
>50 years old	9	9	18	9	10	19	20	15	35
TOTAL	436	238	674	694	375	1,069	966	453	1,419

Breakdown of New Hires for 2024

Age Range	2024		
	Female	Male	Total
<30 years old			
NCR	463	176	639
Luzon	121	31	152
Visayas	100	40	140
Mindanao	61	31	92
Subtotal	745	278	1,023
30-50 years old			
NCR	148	128	276
Luzon	24	15	39
Visayas	16	8	24
Mindanao	13	9	22
Subtotal	201	160	361
>50 years old			
NCR	17	9	26
Luzon	2	2	4
Visayas	1	2	3
Mindanao	0	2	2
Subtotal	20	15	35
TOTAL	966	453	1,419

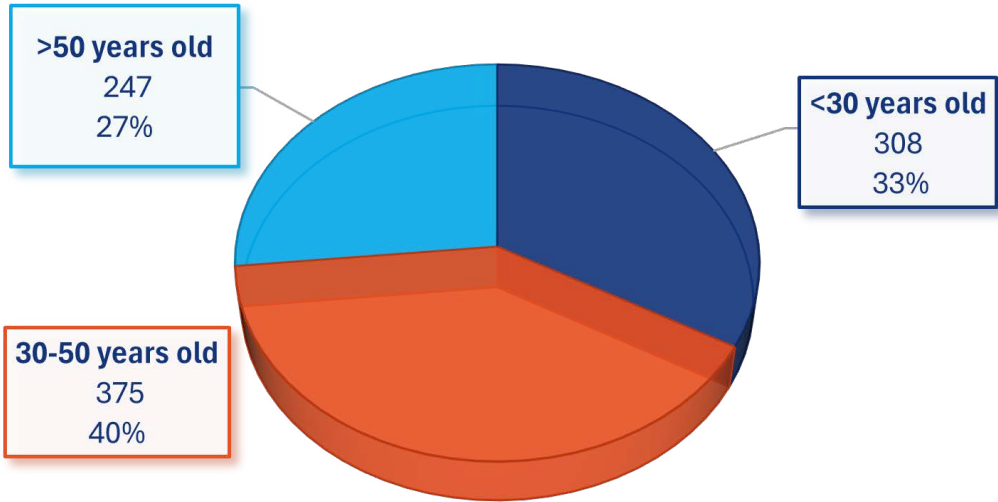
Total Employee Movements in 2024



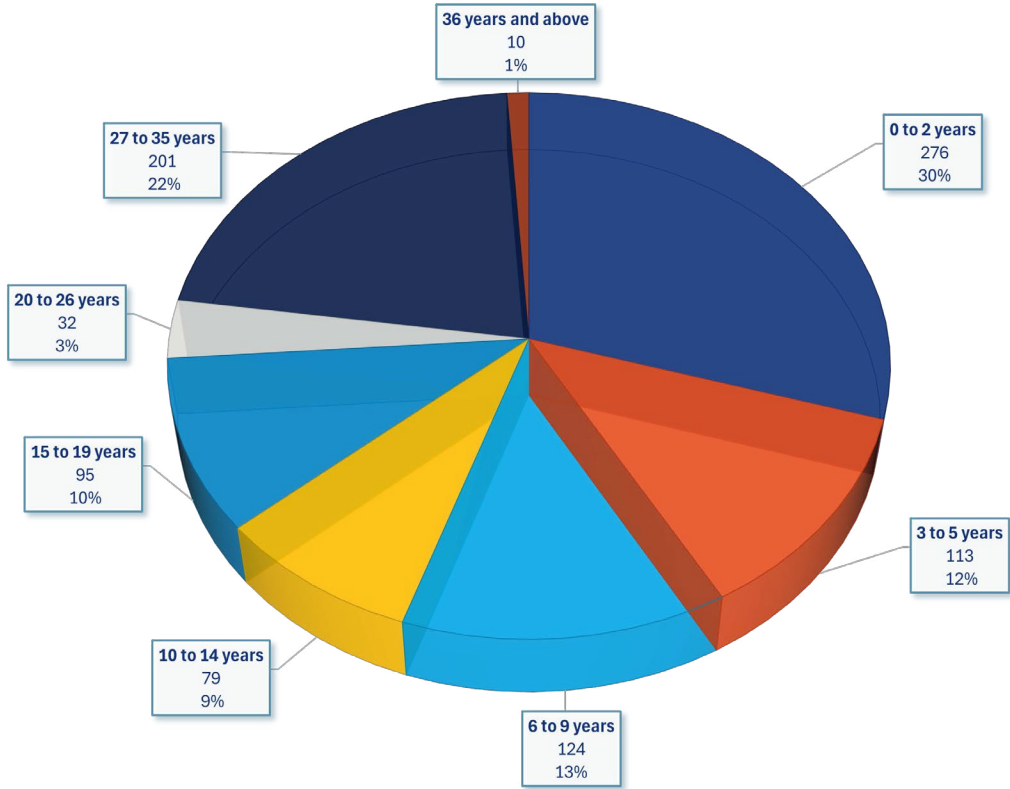
Breakdown of Separations per Gender and Position in 2024

Gender	Officer	Rank-and-File	No. of Separations	Attrition Rate
Female	270	340	610	65.59%
Male	169	151	320	34.41%
TOTAL	439	491	930	100.00%

Breakdown of Separations per Age Group in 2024



Breakdown of Separations per Tenure in 2024



Breakdown and Percentage of Promoted Employees per Gender

	2024	
Female	1,010	66.32%
Male	513	33.68%
TOTAL	1,523	100.00%

Breakdown of PNB Outsourced Personnel by Role, Age, and Location of Assignment

Type of Services Rendered	<30 years old	30 to 50 years old	>50 years old
NCR/Luzon			
Security	-	1499	-
Maintenance/Janitorial/Housekeeping	19	29	4
Clerical/Messengerial	134	82	26
Money Sorter	19	37	3
Drivers	-	28	10
IT	103	31	6
TOTAL	275	1706	49
Visayas			
Security	-	394	-
Maintenance/Janitorial/Housekeeping	23	75	17
Clerical/Messengerial	-	3	2
Money Sorter	9	15	1
Drivers	-	-	-
IT	4	7	-
TOTAL	36	494	20
Mindanao			
Security	-	336	-
Maintenance/Janitorial/Housekeeping	21	66	6
Clerical/Messengerial	-	-	-
Money Sorter	8	15	-
Drivers	-	-	-
IT	6	6	-
TOTAL	35	423	6
Overseas			
Security	1	1	-
Maintenance/Janitorial/Housekeeping	-	1	4
Clerical/Messengerial	-	-	-
Money Sorter	-	-	-
Drivers	-	-	-
IT	-	-	1
TOTAL	1	2	5

Employee Learning and Development

GRI 3-3, 404-2

The Bank emphasizes the importance of employee training and development to remain competitive in a rapidly evolving corporate landscape. In 2024, employees were equipped with skills and knowledge through programs on leadership, digital fluency, mental wellness, and agile mindsets, among others. On the other hand, core regulatory and compliance training addressed critical areas such as AML education, information security, and data privacy. Programs like “Signature Verification, Detection, and Prevention of Forgery” and “Occupational Safety and Health Training” ensured adherence to industry standards and heightened operational efficiency. Meanwhile, technical and specialized trainings, such as ITIL certifications and cybersecurity workshops, kept employees abreast of evolving technological demands. Additionally, out-of-house and officership development initiatives, including the “Management Training Program” and “Corporate Governance Seminars,” emphasized leadership cultivation and strategic thinking.



These initiatives enhance employee productivity, reduce errors, and foster a culture of continuous improvement, ultimately contributing to the Bank’s operational efficiency and organizational success.

To address challenges in accessibility, PNB expanded its digital learning platforms, particularly LinkedIn Learning, offering on-demand training accessible anytime and anywhere.



This shift enabled broader reach and flexibility, complemented by thematic learning journeys and compliance modules hosted on the platform. The Bank also resumed face-to-face sessions in a hybrid format, blending traditional and virtual learning while navigating logistical adjustments. As a result, PNB was named ‘Learning Champion’ at the 2024 LinkedIn Talent Awards.

PNB encourages a minimum of 32 hours of training annually for all employees, aligned with performance reviews. The Bank is also curating role-specific learning paths to support onboarding, career progression, and leadership development. Known as Officership Training Programs (OTPs), these leadership development programs aim to strengthen the competencies of identified high potential staff employees who are deemed ready to assume greater responsibilities in the organization, thereby strengthening the Bank’s leadership bench and ultimately supporting the sustainability thrusts of the Bank.



Breakdown of Participants in Asian Institute of Management - Management Development Program (AIM-MDP)

Rank	2019 to 2024		
	Female	Male	Total
Manager	3	0	3
Area Head	1	4	5
Section Head	1	1	2
Department Head	6	5	11
Division Head	12	4	16
Region Head	0	3	3
Group Head	1	0	1
TOTAL	24	17	41

Financial Literacy Programs



1,874 employees

Basic Financial Literacy topic with learning about Unit Investment Trust Fund (UITF) as well as the specific PNB UITFs in the market

Training Hours by Gender GRI 404-1

	2024		
	Female	Male	Total
No. of Employees	5,835	2,942	8,777
No. of Training Hours	325,024	139,819	464,842
Average No. of Training Hours per Employee	-	-	53
Average No. of Training Hours per Gender	55.70	47.53	-

Training Hours by Rank

	2024		
	Officers	Rank-and-file	Total
No. of Employees	4,628	4,149	8,777
No. of Training Hours	141,953	322,888	464,842



Ensuring the Safety, Security, Health, and Wellness of Our People

GRI 3-3, 403-1, 403-2, 403-3 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

PNB is steadfast in its commitment to maintaining a safe and healthy workplace for all employees. Guided by the Occupational Safety and Health Standards (OSHS) Act and related laws, the Bank implements a comprehensive Occupational Safety, Health, and Family Welfare (OSHFW) Program. The program is managed by the OSHFW Committee, which meets monthly to oversee compliance, assess risks, and recommend preventive measures. Key responsibilities include hazard identification, risk assessments, and the implementation of controls, guided by the Risk Assessment Matrix and Hazard Identification and Risk Assessment and Control (HIRAC) framework.



100%

Employees Covered in OSH



Zero

Recorded fatalities as a result of work-related injury



Zero

Number of fatalities and recorded cases as a result of work-related ill-health

To ensure employee safety, the Bank mandates training for Safety Officers and First Aiders, with participants attending accredited courses such as Basic Life Support/CPR and Disaster Preparedness Training. Emergency preparedness is a priority, with regular earthquake and fire evacuation drills conducted across branches. The Bank also adheres to a robust emergency management protocol, including notification procedures, evacuation guidelines, and crisis management plans outlined in its Business Continuity Plan. External audits by Department of Labor and Employment (DOLE) and internal reviews by the Internal Audit Group (IAG) ensure that safety measures meet regulatory and organizational standards. In addition to physical safety, PNB supports employee mental health through services like psychosocial support, teleconsultations, and awareness programs.

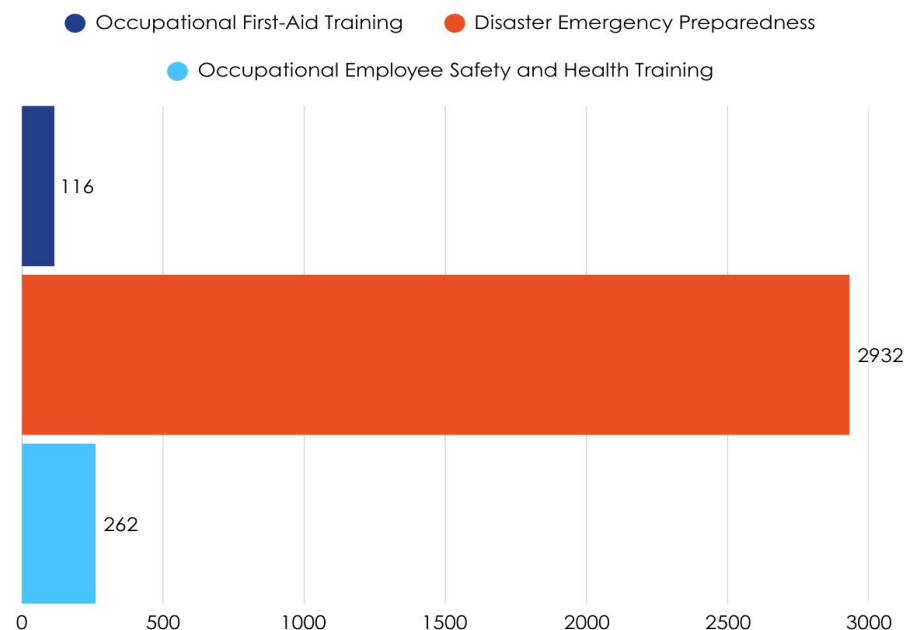


17,229,912

Safe man hours

OSH-Related Training participated in by Philnabankers in 2024

GRI 404-5



Labor-Management Relations

GRI 3-3, 2-30, 402-1

PNB upholds respect and fosters a collaborative relationship with worker unions by maintaining open communication through regular Labor-Management Council (LMC) meetings. These meetings provide a platform to address issues, align policies with the CBA provisions, and ensure transparency. Union officers also participate in key committees such as the Occupational Safety, Health and Family Welfare (OSHFV) Committee, further integrating their voices into decision-making processes.

Employee concerns are addressed through structured grievance mechanisms embedded in the CBA, Alternative Dispute Resolution (ADR) practices, and the Bank's Whistleblower Policy, which includes anti-retaliation provisions to protect employees. Counseling and open dialogue between Human Resources and the workforce ensure that issues are resolved amicably and efficiently, preventing escalation.

3,493

Employees under CBA

40%

% of Employees under CBA

Our Commitment to Diversity, Equality, and Inclusion

GRI 3-3, 406-1

Our policies on diversity, inclusion, gender equality, anti-sexual harassment, and whistleblowing create a safe and secure working environment. These include clear provisions on identifying and addressing harassment, anti-retaliation clauses, and extended coverage for external stakeholders such as outsourced personnel, vendors, and interns. Whistleblowing channels are in place to ensure accountability and protection for all employees. Our efforts go beyond compliance, as evidenced by our Inclusion and Diversity Visible in PNB (InDiVisible) program, a virtual instructor-led training launched in 2021. This initiative fosters personal transformation to create harmony and inclusivity in the workplace. Additionally, PNB offers curated DEI learning paths on LinkedIn Learning, accessible to all employees, through monthly themed journeys such as Cultivating Inclusion in the Workplace, Celebrating Women, and Collaborating in a Multigenerational Workplace.

66%

Female Employees in 2024



While specific gender ratio targets are not yet set, gender diversity remains a key consideration in our workforce demographics. This data is regularly reviewed and presented to management to support informed decision-making and to ensure equitable representation. Furthermore, PNB actively supports employees from vulnerable sectors, including those diagnosed with mental health conditions through comprehensive healthcare coverage, in-house psychosocial support, and specialized policies such as our Mental Health Policy.



PNB takes pride in its discrimination-free workplace, as evidenced by the absence of reported cases of employee discrimination in 2024.

Recognizing Excellence at Work

At PNB, we recognize the exceptional performance of our employees through regular performance reviews and structured recognition programs. Employees undergo semi-annual performance reviews for rank-and-file staff and annual evaluations for officers. These reviews assess strengths, areas for improvement, and career development opportunities.

To reward excellence, we offer promotions, performance-based salary adjustments, and semestral awards such as the Service Excellence Award and What Outstanding Work (WOW) Award, celebrating employees with exemplary achievements. Additionally, exceptional acts of service are highlighted in the Living Our Values Everyday bulletin, fostering a culture of appreciation and inspiration across the organization.

Promoting Wellness and Work-Life Harmony

Aligned with our key performance indicators (KPIs) from the LT Group, our parent company, PNB integrates mental health metrics into its wellness framework. This approach underscores our dedication to promoting work-life harmony and the holistic well-being of our employees.

The Bank has developed a range of initiatives designed to support employees' mental health and overall wellness. These include access to 24/7 mental health hotlines via KonsultaMD, in-house psychosocial support facilitated by trained responders, and regular webinars on topics such as stress management, resilience building, and mental health awareness. These programs aim to equip employees with tools to manage challenges, ensuring they thrive both personally and professionally.

Wellness is further reinforced through initiatives such as the Wellness and Sustainability Fair, which provides sessions on mental, physical, and financial health, alongside access to sustainable health products.

These efforts, complemented by ongoing communication and engagement, ensure that employees feel supported, valued, and empowered to maintain a balanced and fulfilling work life.



100%

Employees Who Can Avail of Mental Wellness Initiatives



1,117

Employees Who Participated in 2024 Mental Health Programs

Caring for Our Society

Upholding Human Rights

GRI 3-3, 410-1, FN-CB-510a.2

PNB prioritizes human rights as a foundation of our corporate culture, fostering a respectful, inclusive, and ethical workplace. Aligned with the Human Rights Policy Statement of our parent company, LTG, we are committed to integrating these principles into all operations. We have implemented policies to safeguard human rights, including:

- Code of Conduct: Prohibits harassment, bullying, and discrimination, with sanctions for violations.
- Non-Discrimination Policy: Promotes equal access to opportunities for all employees.
- Equal Employment Opportunity Policy: Ensures unbiased hiring and development practices.
- Whistleblower Policy: Includes anti-retaliation provisions to protect employees who report violations.
- Women Empowerment Principles: Upholds gender equality and diversity.

In 2024, we strengthened our policies, enhanced employee education, and conducted proactive risk assessments to maintain a safe, equitable, and inclusive workplace. Moreover, we apply human rights standards to main suppliers through a rigorous accreditation process, which was discussed in the Sustainable Sourcing and Supply Chain Management Section in this report.

Violations are investigated with due process by the designated disciplinary authorities (i.e. Ethical Standards Committee, Human Resource Group, Sector Head, or Group Head).

Driving Responsible Corporate Citizenship

We are upholding the title **‘Best Bank for Corporate Social Responsibility in the Philippines’**, which was obtained in 2023 from the International Business Magazine Awards. The Bank continues to foster meaningful and lasting relationships with the communities it serves through impactful community programs and by actively encouraging employee volunteerism. To amplify the reach and effectiveness of these initiatives, the Bank collaborates with the LT Group Inc., the Tan Yan Kee Foundation, Inc., other LTGI subsidiaries, and external stakeholders.

PNB’s community engagement strategy is guided by principles of open dialogue and proximity to the communities it serves. The Bank prioritizes areas where it operates to build trust, address specific local needs, and contribute meaningfully to community development. Engagement begins with outreach through emails and calls, followed by site visits to strengthen connections and assess needs. The Bank maintains these relationships through regular communication via virtual platforms, ensuring sustained support and progress monitoring. The Bank’s programs focus on five key areas essential to community well-being and sustainable development:

- **Agriculture/Forestry:** Promoting sustainable farming practices and forest conservation.
- **Education:** Enhancing access to quality education through scholarships, school supplies, and infrastructure support.
- **Health:** Facilitating wellness programs, medical missions, and health education.
- **Livelihood:** Empowering communities with skills training and entrepreneurial opportunities.
- **Social and Community Aid:** Addressing social challenges and providing support to communities during disasters and aftermaths.



Encouraging Employee Participation in CSR Activities

The Bank, through its Corporate Sustainability and Social Responsibility Division (CSSRD) and Human Resource Group (HRG), develops programs that resonate with both employees and local communities. Employees are kept informed about upcoming initiatives through detailed email notices, which include registration links and activity guidelines. The Bank also provides logistical support, including free meals, shirts, and materials, to ensure a seamless and enjoyable experience for all participants. In addition to central programs, branches and area offices are empowered to organize their own outreach activities with the Bank’s support, further extending the reach of these efforts.

To recognize and motivate employee participation, CSR and volunteerism activities are highlighted on the Bank’s internal platform, PNB Engage, showcasing the impact of these programs and inspiring broader involvement.



Community Engagement

GRI 3-3, 203-2, 413-1

The succeeding part outlines the various activities done by the Bank as featured on PNB Engage. These activities supported the various pillars of community engagement.

Agriculture/Forestry

PNB CommuniTree Expands Its Green Footprint

On July 13, 2024, 58 Philnabankers came together to plant Falcata trees in Brgy. Mamuyao, Tanay, Rizal, reinforcing PNB's commitment to environmental sustainability. In partnership with Tan Yan Kee Foundation, Inc., the Bank sponsored the planting of 1,000 seedlings, furthering its efforts to create a greener future.

Now on its fourth year, the PNB CommuniTree Program has planted a total of 6,408 trees, a mix of forest and fruit-bearing trees nurtured in both communities and Philnabankers' backyards. By taking action today, PNB is cultivating a legacy of sustainability, one tree at a time.



6,408

Planted through PNB CommuniTree since 2020

Education

PNB and F.U.S.E. Join Forces to Strengthen Cybersecurity Awareness Among Educators

On March 19, 2024, PNB, through its Enterprise Risk Management Group (ERMG), joined F.U.S.E. (Foundation for the Upgrading of Standard of Education), Inc., to promote cybersecurity awareness among educators.

PNB's Chief Information Security Officer (CISO) and Data Protection Officer (DPO), Ian Kristoffer Magalso, led a discussion on online scams, fraud detection, and protective measures to help educators stay ahead of evolving cyber threats. Attended by professors, teachers, and F.U.S.E. board members, the session emphasized the critical role of vigilance and awareness in digital security.





PNB Trust Banking Group Joins BSP's Economic and Financial Learning Program

PNB's Trust Banking Group (TBG) was honored to participate as an exhibitor in the Bangko Sentral ng Pilipinas (BSP) Economic and Financial Learning Program held at the BSP Head Office in Manila. With the theme "Investing Made Easy: Transform Your Finances with Smart Investments!," the event aimed to equip BSP employees with practical investment knowledge to help them make informed financial decisions. PNB-TBG, alongside other leading trust institutions, provided investment insights and guidance on enrolling in Unit Investment Trust Funds (UITFs) through PNB UITF Online via PNB Digital. The event was a success, drawing in 128 new PNB UITF Online enrollees, with total subscriptions reaching Php 3.1 million — a testament to the growing interest in smart and accessible investing.

Allianz PNB Life (AZPNBL) Champions Financial Literacy Through Futsal

AZPNBL, in partnership with The Henry V. Moran Foundation (THVMF), has launched Allianz Liga Eskwela Kaagapay, a grassroots program that blends technical sports training with financial literacy education for public schools under the Department of Education (DepEd).

The program trains Physical Education teachers in futsal coaching, officiating, and tournament organization, with competitions organized by the Moran Foundation in collaboration with the Philippine Football Federation (PFF). Beyond sports, it introduces financial values by integrating goal setting, savings, and budgeting into futsal drills — empowering students with both athletic and financial skills.

RAMG Spreads Kindness at Chosen Children Village

The Remedial Accounts Management Group (RAMG) extended its commitment to care and community support through an outreach program at Chosen Children Village Foundation in Silang, Cavite last August 2024. The team donated food items, hygiene kits, kitchen appliances, and other essentials to help improve the lives of the children under the foundation's care. RAMG members also participated in the opening of the foundation's thrift shop, purchasing items in support of its advocacy. Chosen Children Village Founder Lita Fullerton expressed gratitude, highlighting the role of donors in sustaining the foundation, which serves 69 individuals, including seven children with Amyotrophic Lateral Sclerosis (ALS).

69 Individuals Benefitted



Health

2024 Wellness & Sustainability Fair

With the theme "Together as One in Achieving Holistic Wellness and Sustainability," PNB's Human Resources Group (HRG) and Corporate Sustainability and Social Responsibility Division (CSSRD) hosted the Wellness & Sustainability Fair 2024 from November 18 to 22 at the ATM Lobby.

The fair featured a diverse selection of local and well-known brands, offering exclusive discounts on products that promote health, wellness, and sustainability. Among the highlights was Reduce, Reuse, Resale, where pre-loved items from employees were sold, with 10% of proceeds donated to *Pagtutulungan ng Bayan*.



AZPNBL KonsultaMD Partner for 24/7 Teleconsultations

AZPNBL has partnered with KonsultaMD to provide Filipinos with free, 24/7 medical teleconsultations. This collaboration promotes the value of teleconsultation and health insurance, ensuring more Filipinos can access professional medical advice anytime, anywhere. Through KonsultaMD’s innovative telemedicine service, AZPNBL continues to enhance accessible and convenient healthcare solutions for modern customers.

PNB Empowers Employees with Life-Saving Skills Through Red Cross Training

PNB, through the HRG, and the OSHFW Committee, certified 24 Philnabankers in Occupational First Aid and Basic Life Support, in partnership with the Philippine Red Cross. Held on July 15-16, 2024 at the PNB Financial Center, this marks the first post-pandemic First Aid certification for Head Office employees.

Participants underwent intensive training on injury assessment, bandaging, CPR with Automatic Extended Defibrillator (AED) use, and emergency response, ensuring compliance with workplace safety regulations in accordance with R.A. 11058 or Occupational Safety and Health Standards (OSHS) Act while reinforcing a culture of preparedness and care within the Bank.

Livelihood

IBRG Honors Seafarers on Their Special Day

IBRG, in collaboration with PNB branches nationwide, proudly joined the nation in celebrating the Day of the Seafarer on June 25, 2024, at Midas Hotel, Pasay City. This year’s theme, “Navigating the Future: Safety First,” emphasized the critical role seafarers play in ensuring maritime safety and security.

As a steadfast partner of the seafaring community, PNB remains dedicated to supporting seafarers in their personal and professional journeys. The event provided an opportunity to highlight PNB’s financial solutions, designed to meet the unique needs of maritime workers.

Honoring Our Modern-Day Heroes: PNB Joins Department of Migrant Workers (DMW) in Celebrating the 29th National Migrant Workers’ Day

PNB proudly partnered with the DMW in celebrating the 29th National Migrant Workers’ Day from June 3 to 7, 2024. The week-long festivities honored the unwavering dedication and sacrifices of OFWs reinforcing their vital role in shaping the nation’s progress. In line with its commitment to promoting financial prosperity, PNB hosted a financial literacy seminar on the second day of the event. Expert speakers from PNB shared valuable insights on budgeting, savings, remittances, and investment strategies, providing OFWs and their families with the tools to achieve financial security.

The festivities concluded with a raffle draw, where lucky OFWs won exciting prizes, including household appliances, travel essentials, and a grand prize gadget. Beyond the giveaways, the event served as a heartfelt tribute to the resilience and sacrifices of Filipino migrant workers.

Bringing Personalized Banking Services to Filipinos Abroad

This initiative, organized by Philippine Consulate General-Los Angeles (PCGLA), provided PNB Los Angeles (PNBLA) with the opportunity to connect with Filipinos in Arizona on a personalized level. GM Edith Manalad and Operations Head Raquel Rabang engaged attendees in financial education, introducing banking solutions tailored for retirees and potential investors in the Philippines.

“Our mission is to connect with Filipinos and bring PNB’s services closer to them,” said GM Edith Manalad. “It is PNBLA’s purpose to be a reliable partner in every step of their banking journey.” PNBLA has been a longstanding partner of PCGLA and SSS, extending its services beyond California to key areas like Arizona, Nevada, San Diego, Palm Springs, and Bakers Field.

Social and Community Aid

DCMIG's Digital Services Division Champions Care and Compassion

The Digital Services Division (DSD) of PNB's Digital Channel Management and Innovation Group (DCMIG) turned its team-building activity into an outreach program on August 20, 2024, at Mother Teresa Spinelli's Treasures Orphanage in Tagaytay.

Guided by PNB's core values of Care (Aruga) and Passion (Alab ng Damdamin), the DSD team donated food, clothes, and school supplies to support the children. The team engaged in meaningful interactions, creating a positive and memorable experience for both the children and volunteers.

Strengthening PNB's ties with partners, the initiative was further supported by Aguila Gourmet Meats and Cabalen Group, amplifying the impact of the donations. The outreach event highlighted the importance of choosing to invest in a cause beyond the usual team building activities, proving that business success and social responsibility go hand-in-hand.



PNB's 108th Anniversary: A Celebration for a Cause

Marking 108 years of excellence, resilience, and unity, PNB celebrated its week-long anniversary from July 22 to 26 in a way that honored both its achievements and its commitment to service.

The celebration began with a mass at the PNB Chapel, presided over by Father Jason Laguerta and attended by PNB President Doy Casuela alongside Philnabankers from various business units. Each team brought their mission closer to the PNB community through engaging activities and initiatives. In light of the devastation caused by Typhoon Carina, PNB also turned its festivities into a fundraising effort to support those affected, demonstrating that its legacy goes beyond banking; it is about standing together in times of need.

Mas Masaya Kapag Sama-Sama: PNB's Anniversary Becomes a Celebration of Solidarity

When Typhoon Carina left devastation in its wake, PNB turned its annual anniversary party into a fundraising event on July 22, proving that true celebration lies in unity and compassion. From the Banking Hall to the Buendia Lobby, Philnabankers embraced a simpler yet more meaningful gathering, where togetherness took center stage. PNB President Doy Casuela kicked off the event, urging everyone to "THINK AS ONE and DO AS ONE" in pursuit of the Bank's goals. EVP Francis Albalate, event chairman, emphasized that this year's celebration stood apart — dedicated to supporting Typhoon Carina victims.



Sama-sama sa Pagtutulungan: PNB Unites for Typhoon Carina Relief

As part of PNB's 108th Anniversary, the Bank strengthened its CSR by extending immediate assistance to families affected by Typhoon Carina. On the ground, 34 Philnabankers came together to distribute 1,000 hot meals to residents of Malibay, Pasay, joined by Pasay City Mayor Emi Calixto-Rubiano and MacroAsia Corporation employees.

To further rally support, PNB's Anniversary Teams launched the "TEAM CASH FUNDRAISING CONTEST," offering 53,000 Mabuhay Miles to the team with the highest donation. Through this initiative, Philnabankers raised more than Php 560,000 to aid affected communities. A Donation Dropbox was also set up, encouraging employees to contribute clothing, toiletries, and non-perishable food items.



Delivering Hope and Support in the Visayas Region

The Visayas 4 Area team upheld its tradition of community outreach by extending aid to evacuees of the Mt. Kanlaon eruption on December 14, 2024. The disaster displaced over 2,000 individuals in La Castellana, Bago City, and La Carlota City, prompting Area Head Russel Lau and the team to act swiftly in response to a call for assistance from the Parish of St. Vincent Ferrer Shrine-La Castellana.

Through collective efforts, the team raised more than Php 100,000, including a Php 50,000 donation from a valued PNB client, and secured donations from Asia Brewery (80 boxes of bottled water) and Tanduary Distillers, Inc. (500 plates and bowls). Essential goods such as rice, canned goods, milk, coffee, and face masks were procured, while a generous client lent a 10-wheeler truck to transport the supplies. With 16 personnel, the team traveled 65 kilometers from Bacolod City to personally deliver the aid. Welcomed by the parish pastoral council, they provided relief to affected families, particularly farmers who lost their crops and livestock.



Governance: Integrity in Leadership

Promoting Lawful and Ethical Behavior

GRI 2-25, 2-26, 3-3, 205-1, 205-2, 205-3, FN-CB-510a.2, SDG 16

PNB is committed to upholding the highest standards of corporate governance and ethical conduct. Through policies like the Code of Conduct, Anti-Bribery and Corruption (ABC) Policy, and Whistleblower Policy, we ensure all employees, officers, and directors adhere to lawful and ethical behavior. Our ABC Policy prohibits bribery and corruption, while our Whistleblower Policy enables confidential reporting of violations with protection against retaliation. Policies are accessible via the intranet and discussed during onboarding and the New Employees Orientation (NEO).



327

Training Sessions Conducted for Anti-Bribery and Corruption and Ethical Practices Awareness

Whistleblower reports are handled confidentially and investigated by the Ethical Standards Committee (ESC) or the Committee on Decorum and Investigation (CoDI) for harassment cases. Violations are met with strict disciplinary actions aligned with the Code of Conduct.

In 2024, 100% of operations were assessed for bribery and corruption risks, focusing on gifts, vendor management, and SOP compliance. Significant risks were mitigated through enhanced controls. In 2024, there were no reported incidents of bribery or corruption. We continuously review and update our policies to align with best practices, ensuring a culture of integrity and accountability across the organization.



Zero

Confirmed Cases of Corruption in 2024

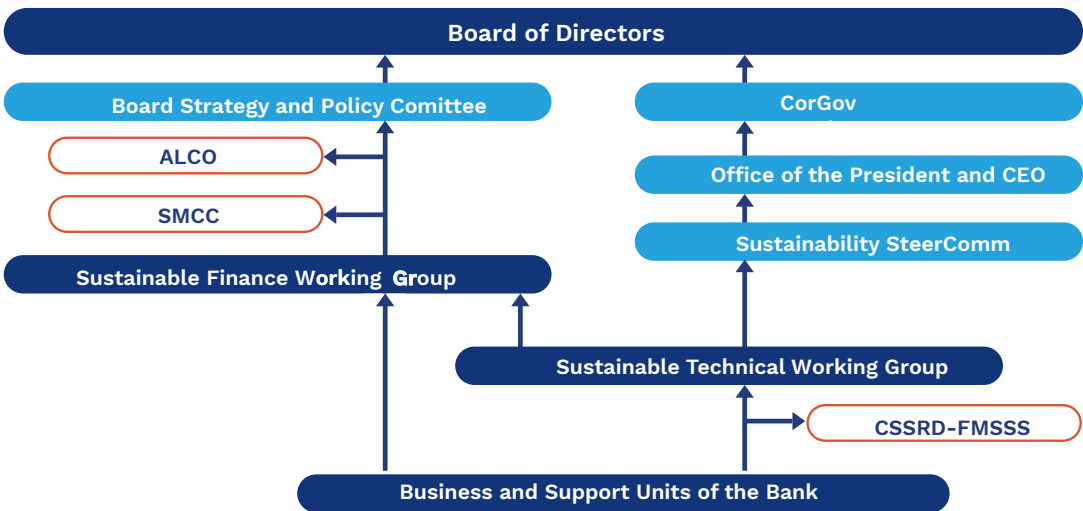
Sustainability Governance

In 2024, we focused on refining the integration of ESG principles across all business functions, ensuring that our governance framework not only complies with regulatory standards but also sets the foundation for a sustainable future. Our sustainability governance operates seamlessly from top-to-bottom, with the Board of Directors providing strategic oversight and our dedicated sustainability teams driving initiatives across all levels of the organization to integrate ESG principles into every facet of our business.

At the Board level, they undergo annual training on sustainability and ESG-related topics, including corporate governance seminars and industry-specific courses. The Board also participates in self-assessment exercises to evaluate adherence to governance practices, including sustainability oversight.

Moreover, we formed a Sustainability Steering Committee (SteerCom) backed up by a Technical Working Group (TWG) composed of the following businesses and functions with the objective of providing technical assistance, guidance, and direction to the Bank’s sustainability endeavors:

- **Corporate Sustainability and Social Responsibility Division (CSSRD):**
Formed in 2020 as the Corporate Sustainability Unit (CSU), the CSSRD was strengthened in 2024 to include two departments focused on Sustainable Finance and Transition, ESG Research and Governance, and Sustainability Reporting.
- **Corporate Governance and Sustainability Committee (CorGov):**
At the Board level, this committee promotes sustainability advocacies, oversees ESG initiatives, and ensures alignment with regulatory requirements.
- **Sustainability Steering Committee (SteerCom):** Comprising senior executives, the SteerCom provides strategic guidance and oversight for sustainability initiatives and activities.
- **Sustainability Technical Working Group (TWG):** As the operational arm, the TWG drives implementation, monitors the progress of the Sustainability Transition Plan, and ensures alignment with Board-approved directives.
- **Sustainable Finance Working Group (SFWG):** Provides guidance on ESG-related matters concerning the Bank’s lending and investment activities and recommends.



Our Sustainability Leadership Structure

GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-24

PNB’s sustainability leadership structure ensures a cohesive approach to integrating sustainability principles across all levels of the organization. The governance framework is led by the Corporate Governance and Sustainability (CorGov) at the Board level and operationalized through the Sustainability Steering Committee and Technical Working Group.

Corporate Governance and Sustainability Committee

CorGov provides strategic oversight on all sustainability initiatives and activities of the Bank. Its roles and responsibilities include:

1. **Institutionalizing Sustainability Principles**
Setting the Bank’s sustainability goals, objectives, and targets to integrate ESG principles into business and operations.
2. **Monitoring Sustainability Performance**
Assessing the Bank’s economic, social, and environmental performance against established benchmarks.
3. **Stakeholder Communication**
Ensuring sustainability objectives and policies are effectively communicated to investors, clients, employees, and other stakeholders.
4. **Promoting a Responsible Business Culture**
Encouraging environmentally and socially responsible decision-making throughout the organization.
5. **Capacity Building**
Establishing training programs for the Board, management, and staff on key sustainability topics to enhance their knowledge and expertise.
6. **Resource Allocation**
Ensuring the availability of resources necessary to achieve the Bank’s sustainability goals.
7. **Non-Financial Disclosures**
Developing a clear policy on disclosing material non-financial information, particularly regarding EESG issues, in compliance with BSP Circular 1085.
8. **Adherence to International Standards**
Ensuring alignment with globally recognized sustainability reporting frameworks, such as the Global Reporting Initiative (GRI), to measure and monitor the Bank’s sustainability contributions.
9. **Organizational Oversight**
Supporting the Board in adopting an effective structure to sustain and advance the Bank’s sustainability objectives.

Operational Teams

- **Sustainability Steering Committee:** Provides guidance to the Technical Working Group and ensures that sustainability strategies are effectively implemented.
- **Sustainability Technical Working Group:** Comprises representatives from various business and support units, serving as the operational backbone to execute the Bank's sustainability initiatives and ESG directives.

Corporate Governance & Sustainability Committee Chairperson: Edgar A. Cua (Independent Director) Vice Chairperson: Geocel D. Olanday (Independent Director)	Members (Independent Directors) 1. Domingo H. Yap 2. Isabelita M. Papa 3. Maria Almasara Cyd N. Tuaño-Amador
Frequency of Meetings: Monthly	
Steering Committee Composed of Sector/Group Heads Chairperson: Enterprise Risk Management Group Head Vice Chairperson: Credit Management Group Head	Members: 1. Group Head, Administration Group 2. Sector Head, Consumer Finance Sector 3. Group Head, Credit Management Group 4. Group Head, Enterprise Risk Management Group 5. Chief Financial Officer and Head of Financial Management, Strategy, and Sustainability Sector 6. Group Head, Global Compliance Group 7. Group Head, Trust Banking Group 8. Group Head, Human Resource Group 9. Group Head, Internal Audit Group 10. Group Head, International Banking and Remittance Group 11. Sector Head, Institutional Banking Sector 12. Group Head, Information Technology Group 13. Sector Head, Retail Banking Sector 14. Group Head, Wealth Management Group 15. Group Head, Global Markets Group 16. Group Head, Operations Group
Frequency of Meetings: Monthly	

Technical Working Group Composed of one-downs or assigned representatives of the Group/Sector Heads Chairperson: Corporate Sustainability Department - FMSSS Vice Chairperson: Enterprise Risk Management Group	Members: 1. Administration Group 2. Consumer Finance Sector 3. Credit Management Group 4. Enterprise Risk Management Group 5. Financial Management, Strategy, and Sustainability Sector 6. Global Compliance Group 7. Global Markets Group 8. Human Resource Group 9. Internal Audit Group 10. Institutional Banking Sector 11. International Banking and Remittance Group 12. Information Technology Group 13. Operations Group 14. Retail Banking Sector 15. Trust Banking Group 16. Wealth Management Group
Frequency of Meetings: Monthly	
Sustainable Finance Working Group A sub-set of the Sustainability TWG. Co-chairpersons: ● Institutional Banking Sector ● Global Markets Group Secretariat: Corporate Sustainability and Social Responsibility Division - FMSSS	Members: 1. Trust Banking Group 2. Wealth Management Group 3. Financial Institutions Division 4. Retail Lending Group 5. Credit Management Group 6. Financial Accounting Department 7. Enterprise Risk Management Group 8. Marketing Group 9. International Banking and Remittance Group ● Global Compliance Group** ● Internal Audit Group** <i>**Consultants/Resource Persons only</i>
Frequency of Meetings: Monthly	

Organization and Individual Memberships and Associations

GRI 2-28

- ACI Philippines, The Financial Markets Association Inc.
- Analytics and Artificial Intelligence Association of the Philippines (AAIAP)
- Asian Bankers Association (ABA)
- Association of Bank Remittance Officers (ABROI)
- Association of Bank Compliance Officers (ABCOMP)
- Association of Certified Anti-Money Laundering Specialists (ACAMS)
- Association of Certified Fraud Examiners (ACFE)
- Association of Certified Public Accountants in Commerce & Industry (ACPACI)
- Association of Philippine Correspondent Bank Officers, Inc. (APCBOI)
- Bank Marketing Association of the Philippines (BMAP)
- Bank Security & Management Association Inc. (BSMA)
- Bankers Association of the Philippines (BAP)
- Bankers Institute of the Philippines (BAIPHIL)
- BAP Credit Bureau, Inc (BAPCBI)
- BAP Data Exchange, Inc. (BAPDEX)
- British Chamber of Commerce Philippines (BCCP)
- Business Continuity Managers Association of the Philippines (BCMAP)
- Business for Sustainable Development
- Butuan City Bankers Club
- Cebu Chamber of Commerce & Industry, Inc.
- Chamber of Commerce of the Philippine Islands (CCPI)
- CFA Institute
- Clearing Officers Club Inc. (COCI)
- Credit Card Association of the Philippines (CCAP)
- Credit Management Association of the Phils, Inc. (CMAP)
- Employers Confederation of the Philippines (ECOP)
- European Chamber of Commerce of the Philippines (ECCP)
- Federation of Philippine Industries, Inc. (FPPI)
- Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCII)
- Financial Executives Institute of the Philippines (FINEX)
- Fintech Alliance Ph
- Fund Managers Association of the Philippines (FMAP)
- Good Governance Advocates and Practitioners of the Philippines (GGAPP)
- IAG's various membership organizations
- Information Systems Audit and Control Association (ISACA)
- Institute of Corporate Directors (ICD)
- Institute of Internal Auditors of the Philippines (IIA)

- Integrated Bar of the Philippines (IBP)
- International Association of Privacy Professionals (IAPP)
- Japanese Chamber of Commerce & Industry of the Philippines, Inc. (JCCIP)
- Malaybalay Banker's Association
- Management Association of the Philippines (MAP)
- Money Market Association of the Philippines (MART)
- National Association of Securities Broker Salesmen, Inc. (NASBI)
- People Management Association of the Philippines, Inc. (PMAP)
- Philippine Association of National Advertisers, Inc. (PANA)
- Philippine Business Coalition for Women Empowerment (PBCWE)
- Philippine Chamber of Commerce & Industry (PCCI)
- Philippine Dealing & Exchange Corporation (PDEX)
- Philippine Payments Management, Inc. (PPMI)
- Pampanga Chamber of Commerce
- Southern Bukidnon Bankers Association
- Tax Management Association of the Philippines (TMAP)
- Trust Officers Association of the Philippines (TOAP)





Contact Information

GRI 2-3

Your opinion, feedback, and recommendations are much appreciated.
You may contact the following:

PNB Office of the Corporate Secretary

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Email: corsec_shrelations@pnb.com.ph

PNB Investor Relations

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Email: CSSRD@pnb.com.ph

PNB Customer Care Hotline

Tel. No.: (+632) 8 573-8888
Email: customercare@pnb.com.ph

Reporting Standard Content Indices

Global Reporting Initiative (GRI) Content Index						
Statement of use	Philippine National Bank has reported in accordance with the GRI Standards for the period, January 1-December 31, 2023					
GRI 1 used	GRI 1: Foundation 2021					
Applicable GRI Sector	None					
GRI Standard	Disclosure	Location (Page No.)	Reason for Omission			
			Requirement(s) omitted	Reason	Explanation	
GENERAL DISCLOSURES						
GRI 2: General Disclosures 2021	2-1	Organizational details				
	2-2	Entities included in the organization's sustainability reporting	1			
	2-3	Reporting period, frequency and contact point	1, 44 PNB reports on its sustainability activities and initiatives annually			
	2-4	Restatements of information	All fuel, power, water, and waste consumption data have been thoroughly reviewed and recalculated according to the latest methodologies from the Department of Energy (DOE) and the United Nations Framework Convention on Climate Change (UNFCCC). This ensures that the Bank's figures are accurate and reflect the most current standards for environmental reporting.			

	2-5	External assurance	No external assurance	2-5	Not applicable	No requirement for external assurance
	2-6	Activities, value chain and other business relationships	3			
	2-7	Employees	27			
	2-8	Workers who are not employees	27			
	2-9	Governance structure and composition	41			
	2-10	Nomination and selection of the highest governance body				
	2-11	Chair of the highest governance body	11			
	2-12	Role of the highest governance body in overseeing the management of impacts	41			
	2-13	Delegation of responsibility for managing impacts	41			
	2-14	Role of the highest governance body in sustainability reporting	41			
	2-15	Conflicts of interest				
	2-16	Communication of critical concerns	Critical concerns are communicated to the Board through regular and special meetings, which are conducted in accordance with the Bank's By-Laws and Manual on Corporate Governance. On communicating critical concerns to the Board on			

			sustainability-related matters that concern the Bank, please see pages XX			
	2-17	Collective knowledge of the highest governance body				
	2-18	Evaluation of the performance of the highest governance body				
	2-19	Remuneration policies				
	2-20	Process to determine remuneration				
	2-21	Annual total compensation ratio		2-21-a to 2-21-c	Confidentiality Constraints	Topic on salaries is deemed sensitive and confidential for the Bank. Employees' salary and benefits package are based on their assigned role, competency level, work performance, previous work experience, certifications, and employment tenure, among others.
	2-22	Statement on sustainable development strategy				
	2-23	Policy commitments	4			
	2-24	Embedding policy commitments	4, 41			
	2-25	Processes to remediate negative impacts	40			
	2-26	Mechanisms for seeking advice and raising concerns	7, 40			
	2-27	Compliance with laws and regulations				
	2-28	Membership associations	43			
	2-29	Approach to stakeholder engagement	7			
	2-30	Collective bargaining agreements	33			

GRI 3: Material Topics 2021	3-1	Process to determine material topics	6			
	3-2	List of material topics	6			
ECONOMIC AND GOVERNANCE						
GRI 3: Material Topics 2021	3-3	Management of material topics	7			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	7			
	201-2	Financial implications and other risks and opportunities due to climate change	The Bank is still working on integrating climate and E&S criteria in its credit and operational risk management systems			
	201-3	Defined benefit plan obligations and other retirement plans				
GRI 3: Material Topics 2021	3-3	Management of material topics	8			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	8			
	203-2	Significant Indirect economic impacts	8, 36			
GRI 3: Material Topics 2021	3-3	Management of material topics	7			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	7			
GRI 3: Material Topics 2021	3-3	Management of material topics	40			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	40			
	205-2	Communication and training about anti-corruption policies and procedures	40			
	205-3	Confirmed incidents of corruption and actions taken	40			
ENVIRONMENT						
GRI 3: Material Topics 2021	3-3	Management of material topics	21			
GRI 302: Energy 206	302-1	Energy consumption inside the organization	21, 24			

	302-2	Energy consumption outside the organization		302-2	Information unavailable/incomplete	Data not available during the reporting period.
	302-3	Energy Intensity	24			
	302-4	Reduction in energy requirements of products and services	21			
	302-5	Energy consumption outside the organization		302-5	Not Applicable	We do not offer such product and services
GRI 3: Material Topics 2021	3-3	Management of material topics	22			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	22			
	303-2	Management of water discharge-related impacts	22			
	303-3	Water withdrawal	24			
	303-4	Water discharge	24			
	303-5	Water consumption	24			
GRI 3: Material Topics 2021	3-3	Management of Material topics	22			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	25			
	305-2	Energy indirect (Scope 2) GHG emissions	25			
	305-3	Other indirect (Scope 3) GHG emission		305-3	Information unavailable	The Bank has yet to disclose its Indirect Scope 3 GHG emissions, including those from financed activities and the supply chain, as part of its quantification process that began in December 2024. This initiative is expected to be completed by the second quarter of 2025.
	305-4	GHG emissions intensity	25			
	305-5	Reduction of GHG emission	22			
	305-6	Emissions of ozone-depleting substances (ODS)		305-6	Information unavailable	The Bank is not engaged in activities dealing with ozone-depleting substances.
GRI 3: Material Topics 2021	3-3	Management of Material topics	22			
GRI 3: Waste 2020	306-1	Waste generation and significant waste-related impacts	22			
	306-2	Management of significant waste-related impact	22			
	306-3	Waste generated	25			

	306-4	Waste diverted from disposal	25			
	306-5	Waste diverted to disposal	25			
CUSTOMERS AND COMMUNITIES						
GRI 3: Material Topics 2021	3-3	Management of material topics	36			
GRI 413: Local Communities 2016	413-1	Operations with local community, engagement, impact assessments and development programs	36 1 week at least			
	413-2	Operations with significant actual and potential negative impacts on local communities	No operations with significant actual and negative impacts on the communities			
GRI 3: Material Topics 2021	3-3	Management of material topics	17			
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labeling	17			
	417-2	Incidents of non-compliance concerning product and service information and labelling	17			
	417-3	Incidents of non-compliance concerning marketing	17			
GRI 3: Material Topics 2021	3-3	Management of material topics	15			
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer data privacy and losses of customer data	15, 16			
Digital Banking and Innovation						
GRI 3: Material Topics 2021	3-3	Management of material topics	14			
Customer engagement and satisfaction						
GRI 3: Material Topics 2021	3-3	Management of material topics	15			
EMPLOYEES						
GRI 3: Material Topics 2021	3-3	Management of material topics	27			

GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage		202-1	Confidentiality constraints	Topic on salaries is deemed sensitive and confidential for the Bank. Employees' salary and benefits package are based on their assigned role, competency level, work performance, previous work experience, certifications, and employment tenure, among others
	202-2	Proportion of senior management hired from the local community		201-2	Information unavailable/incomplete	Members of the Bank's senior management are hired based on their competency level, previous work experience, and certifications, among others.
GRI 3: Material Topics 2021	3-3	Management of material topics	27			
GRI 401: Employment 2016	401-1	New employee hired and employee turnover	29			
	401-2	Benefits provided to fulltime employees that are not provided to temporary or part-time employees	27			
	401-3	Parental Leave	27			
GRI 3: Material Topics 2021	3-3	Management of material topics	32			
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	33			
GRI 3: Material Topics 2021	3-3	Management of material topics	33			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	32			
	403-2	Hazard identification, risk assessment, and incident investigation	32			
	403-3	Occupational health services	32			
	403-4	Worker participation, consultation, and communication on occupational health and safety	32			
	403-5	Worker training on	32			

		occupational health and safety				
	403-6	Promotion of worker health	32			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	32			
	403-8	Workers covered by an occupational health and safety management system	32			
	403-9	Work-related injuries	32			
	403-10	Work-related ill health	32			
GRI 3: Material Topics 2021	3-3	Management of material topics	31			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	32			
	404-2	Programs for upgrading employee skills and transition assistance	31			
	404-3	Percentage of employees receiving regular performance and career development reviews	100 % employees receive regular performance and career development reviews			
GRI 3: Material Topics 2021	3-3	Management of material topics	27			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	27			
	405-2	Ratio of basic salary of remuneration of women to men		405-2	Confidentiality Constraints	Topic on salaries is deemed sensitive and confidential for the Bank. Employees' salary and benefits package are based on their assigned role, competency level, work performance, previous work experience, certifications, and employment tenure, among others.
GRI 3: Material Topics 2021	3-3	Management of material topics	33			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	33-34			
GRI 3: Material Topics 2021	3-3	Management of material topics	34			

GRI 410: Security Practices	410-1	Security personnel trained on human rights policies and procedures	34			
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SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)
CONTENT INDEX

This content index provides an overview of PNB’s Environmental, Social, and Governance data that align with industry-specific ESG guidance framework of SASB Standards for the Financials Sector - Commercial Banks 2018. Other SASB codes are omitted due to lack of applicability, confidentiality, and unavailability of data.

Topic	Metric	Category	Unit of Measure	Code	Page No.
Table 1. Sustainability Disclosure Topics & Metrics					
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-230a.2	15
Financial Inclusion & Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Quantitative	Number	FN-CB-240a.4	18
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	n/a	FN-CB-410a.2	11
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	n/a	FN-CB-510a.2	34
Activity Metric		Category	Unit of Measure	Code	
Table 2. Activity Metrics					
(1) Number and (2) value of checking and savings accounts by segments: (a) personal and (b) small business		Quantitative	Number, Presentation currency	FN-CB-000.A	13
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate ⁶		Quantitative	Number, Presentation currency	FN-CB-000.B	13

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD),
IFRS S1 AND S2 CONTENT INDEX

Core Elements	Recommendations	Supporting Recommended Disclosures	Location/Response
Governance	Disclose the organization's governance around climate related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities b) Describe management's role in assessing and managing climate-related risk and opportunities	21, 41
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	20
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks. b) Describe the organization's processes for managing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	20-21
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	21



**EVERY STEP
TOGETHER**