SEC NO. 16962
FILE NO.

CHINA BANK SAVINGS, INC.

(COMPANY'S NAME)

CBS BUILDING
314 Sen. Gil J. Puyat Avenue, Makati City

(COMPANY'S ADDRESS)

8-988-95-55

(TELEPHONE NUMBER)

DECEMBER 31

(FISCAL YEAR ENDING MONTH AND DAY)

SEC FORM 17 – A

(FORM TYPE)

December 31, 2025

(PERIOD ENDED DATE)

N/A

(SECONDARY LICENSE TYPE AND FILE NUMBER)

COVER SHEET

SEC Registration Number

0 0 0 0 0 0 1 6 9 6 2

COMPANY NAME

CHINA BANK SAVINGS, INC.

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

CBS Building, 314 Sen. Gil J. Puyat Avenue, Makati City

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

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
cbs@chinabank.ph	**8-988-95-55**	**N/A**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,556	**3rd Thursday of June**	**12/31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis Bernardo A. Puhawan	**lbapuhawan.cbs@chinabank.ph**	**8-988-95-55**	**N/A**

CONTACT PERSON's ADDRESS

CBS Building, 314 Sen. Gil J. Puyat, Makati City

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A, *AS AMENDED*

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1.	For the fiscal year ended	:	**December 31, 2025**
2.	SEC Identification Number	:	**16962**
3.	BIR Tax Identification Code	:	**000-504-532**
4.	Exact name of issuer as specified in its charter	:	**China Bank Savings, Inc.**
5.	Province, Country or other jurisdiction of incorporation or organization	:	**Makati City, Philippines**
6.	Industry Classification Code	:	**(SEC Use only)**
7.	Address of principal office	:	**CBS Building, 314 Sen. Gil J. Puyat Avenue, Makati City**
8.	Registrant's telephone number, including area code	:	**(632) 8-988-95-55**
9.	Former name, former address and former fiscal year, if changed since last report	:	N/A

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	**Number of Shares Outstanding and Amount of Debt Outstanding**
Common stock - ₱100 par value	125,414,149
Preferred stock - ₱100 par value	21,642

11. Are any or all of these securities listed on a Stock Exchange?
Yes [ ] No [✓]

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The 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 [ ]

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PART I. BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

1. Business Development

Corporate Policy

China Bank Savings ("CBS" or the "Bank") is the savings bank arm of China Banking Corporation ("China Bank" or the "Parent Bank") and one of the largest thrift banks in the country today. CBS is a member of the SM Group or SM Investments Corporation, one of the country's largest conglomerates.

In 2007, China Bank acquired the Manila Banking Corporation and subsequently renamed it to China Bank Savings, Inc. Following the change in its majority owners, the Bank continues to operate as a thrift bank. Subsequent mergers with Unity Bank, a Pampanga-based rural bank, and Planters Development Bank (Plantersbank) have bolstered CBS' position as a leading thrift bank in the industry. With 175 branches nationwide and a strong platform for retail banking, auto, housing, teachers, and enterprise finance, CBS is dedicated to servicing the needs of entry-level customers, the broad consumer market, and the strategic Small and Medium Enterprise (SME) sector. CBS is committed to promoting financial inclusiveness, and uplifting the quality of consumers and entrepreneurs in line with its *Easy Banking for You* brand of service.

The Bank's ***Easy Banking for You*** corporate tagline, promises fast, efficient and friendly service for customers. It means that the whole CBS team is putting in more effort and going the extra mile to make banking easy for customers. The Bank is complementing its organizational capacity with the infrastructure to deliver on the promise of *Easy Banking for You* through an up-to-date technology, robust employee training and development programs, wide distribution network, fast and efficient processes and competitive products and services.

The Bank's customer acquisition strategy involves sourcing new customers from the general public through its sales channels and brick-and-mortar branch network. China Bank and CBS ensure wider market coverage through their internal referral and customer acquisition process. CBS focuses on the "emerging mass-market" sector of the consumer banking market. On the funding side, the Bank's principal source is the deposits from the general public.

The Bank's website www.cbs.com.ph/ has been enhanced to support the corporate branding campaign. The secure site was provided with a fresh look that reflects the Bank's vibrant image and authentic commitment to entry-level customers, families, young professionals, and entrepreneurs.

Vision
To be the leading savings bank preferred by the markets we serve.

Mission
As the leading savings bank, we deliver the best in banking, thus:

We provide wealth-building and practical products and services that fulfill the dreams and uplift the markets we serve.

We value our employees by nurturing, developing and rewarding them, as they are vital to our success.

We maintain the highest ethical standards through good corporate governance; deliver maximum and sustainable returns for our shareholders; and serve our communities to help promote better lives.

Core Values
In doing business, CBS is guided by these values:

- ***Integrity.*** We conduct ourselves with honest intentions and accountability.
- ***Teamwork.*** We work together in harmony and we respect each other to achieve our shared goals.
- ***Pursuit of Excellence.*** We have high performance standards that exceed expectations of our customers and shareholders.
- ***Customer Focus.*** We build and maintain solid and lasting relationships that result in customer loyalty.
- ***Concern for People.*** We provide an equitable, respectful, and safe working environment for all our employees.
- ***Fairness and Firmness.*** We make decisions free from discrimination and we are resolute in our decisions.
- ***Sustainability.*** We consider environmental, social, and governance risks and impacts in our decisions.

Form and Year of Organization

The Bank's original Certificate of Incorporation was issued by the Philippine Securities and Exchange Commission (SEC) on May 23, 1960. The Bank reopened to the public on June 26, 1999 as a thrift bank in accordance with the Monetary Board (MB) Resolution No. 512 dated April 21, 1999. Under MB Resolution No. 512. On August 20, 2009, the Board of Directors (BOD) approved the amendment of the Bank's Articles of Incorporation to extend its corporate term for another fifty (50) years, from and after May 23, 2010, the end of the original term of the Bank's corporate existence. The amendment to the Articles of Incorporation to extend the Bank's corporate term was subsequently approved by the stockholders of the Bank, who own/represent at least two thirds (2/3) of the outstanding capital stock, at the Annual Stockholders' Meeting held in October 2009. The Amended Articles of Incorporation was approved by the SEC on March 25, 2010. By virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines, which took effect on February 23, 2019, the Bank now has perpetual existence.

CBC, the Parent Bank, has an ownership interest in the Bank of 99.67% as of December 31, 2025 and 99.64% as of December 31, 2024.

The registered office address of the Bank is at CBS Building, 314 Sen. Gil Puyat Avenue, Makati City.

Bankruptcy, Receivership or Similar Proceedings

The Bank is not subject to any bankruptcy, receivership or similar proceedings.

Material Reclassification Merger, Consolidation or Purchase or Sale of Assets

Merger between the Bank and Unity Bank, A Rural Bank

The Board of Directors of the Bank and Unity Bank, in their meetings held on June 6, 2013 and June 11, 2013, respectively, approved the proposed merger with Unity Bank, with the Bank as the surviving entity. The Plan of Merger was approved by the stockholders of both banks in their meetings held on July 18, 2013 and July 19, 2013, respectively. Unity Bank is 99.95% owned by China Bank, having acquired the former on November 20, 2012 under the Strengthening Program for Rural Banks (SPRB) Plus of the Bangko Sentral ng Pilipinas (BSP).

On December 10, 2013, the BSP approved the issuance of Certificate of Authority to register the approved Plan of Merger and Articles of Merger of the Bank and Unity Bank, with the Bank as the surviving entity. Thereafter, on January 20, 2014, the SEC formally issued the Certificate of the Filing of Articles and Plan of Merger by and between the Bank (surviving corporation) and Unity Bank (absorbed corporation). The merger was affected via a share-for-share exchange.

Merger between the Bank and Planters Development Bank

On June 26, 2014, the Board of Directors of both the Bank and Plantersbank approved the Plan and Articles of Merger of the Bank and Plantersbank, with the former as the surviving corporation. Plantersbank is a 99.85% owned subsidiary of China Bank. The stockholders of both Plantersbank and the Bank approved, ratified and confirmed the Plan and Articles of Merger on August 14, 2014. An amended Plan of Merger was approved by the Board of Directors of both Banks on January 29, 2015.

On August 19, 2015 and December 17, 2015, the MB of the BSP and the SEC approved the merger, respectively. The salient provisions of the Articles of the Merger are as follows:

a. Upon the effective date of the merger, Plantersbank shall be merged with and into the Bank. The separate and distinct existence of Plantersbank shall cease and terminate upon the effective date of merger.

b. The Bank shall be the surviving corporation.

c. As of the effective date, all common and preferred shares of Plantersbank shall be converted into fully paid China Bank Savings common shares totaling to 16.5 million shares.

Financial Highlights

	2025	2024
PROFITABILITY		
Total net interest income	**₱9,887,771,412**	₱8,133,932,504
Total non-interest income	**1,099,276,820**	1,065,342,330
Total non-interest expenses	**7,153,415,684**	5,994,917,704
Pre-provision profit	**3,833,632,548**	3,204,357,130
Provision for credit losses	**1,030,831,665**	773,248,903
Net income	**2,407,934,654**	2,170,517,292
SELECTED BALANCE SHEET DATA		
Liquid assets	**47,574,919,037**	39,258,716,033
Gross loans	**155,135,758,465**	137,063,034,570
Total assets	**217,620,416,361**	189,123,182,174
Deposits	**192,191,963,342**	166,792,872,536
Total equity	**21,280,788,937**	17,837,460,671
SELECTED RATIOS		
Return on equity	**12.31%**	12.96%
Return on assets	**1.18%**	1.25%
Capital adequacy ratio	**12.34%**	12.03%
OTHERS		
Headcount		
Officers	**1,581**	1,463
Staff	**1,669**	1,632

2. Business of Registrant

a. Products and Services

CBS offers a suite of products and services that cater to the different needs of its clientele, whether for business or personal finance. CBS' customer-centric and inclusive-finance approach ensures convenience, affordability, and ease-of-access in the way it delivers its products and services.

DEPOSITS

- Savings
  - **CBS My First Million Savings Account** is an interest-earning savings account that comes with a passbook and 24/7 access via ATM, CBS Online Banking and CBS Mobile App.
  - **Basic Deposit Account** is a non-interest earning savings account that is opened online using the CBS Go App.
  - **Easi-Save Basic** is an ideal starter, interest-earning ATM savings account with no opening balance minimum requirement. The opening fee is only one hundred pesos (PHP100).
  - **Easi-Save ATM** is an interest-earning account with the convenience of a PIN-based automated teller machine (ATM) card with a PHP500 minimum balance requirement.
  - **Easi-Save for Kids** is an interest-earning passbook savings account designed for children aged 7 to 12 years old.

- **US Dollar Savings Account** is an interest-earning US Dollar-denominated passbook savings account.

- Checking

  - **CheckMate All-in-One Check Account** is an interest-bearing checking account for the professional or entrepreneur who is always on the go. Transactions can be monitored via passbook, checkbook, ATM and via CBS Mobile App or CBS Online 24/7.
  - **Easi-Checking Basic** is an entry-level non-interest checking account with low initial deposit requirement of PHP3,000.
  - **Easi-Checking** is an interest-bearing checking account that comes with an ATM card.

- Time Deposit

  - **Time Deposit** is a peso-denominated, short-term deposit account with terms of less than one year. Interest is credited upon maturity.
  - **High Five*** is a peso-denominated, five-year term deposit account. It has a fixed interest rate and is tax-free if held to maturity.
  - **US Dollar Time Deposit Account** is a US Dollar-denominated short-term deposit account with terms of less than one year. Interest is credited upon maturity.

**Due to the enactment of Republic Act No. 12214, also known as the Capital Markets Efficiency Promotion Act (CMEPA), as implemented by BIR Revenue Regulations No. 21-2025, the Bank has decided to discontinue offering this product effective 2025.*

LOANS AND CREDIT FACILITIES

- **Small Business Financing**

  - **SmallBiz Revolving Credit Line** a convenient one-year credit line intended for working capital requirements from PHP500,000 to PHP10 million of business with assets not more than PHP100 million. The credit facility comes with its own checking account, allowing the client issue checks anytime, anywhere, up to the approved line amount.
  - **SmallBiz Credit Line via PN** a one-year credit facility for business needs from PHP500,000 to PHP10 million available to enterprises with assets not more than PHP100 million, allowing access to funds anytime by signing a Promissory Note up to the approved limit.
  - **SmallBiz Term Loan** a loan intended for permanent working capital, property acquisition, machinery and equipment acquisition available to businesses with assets not more than PHP100 million. The maximum term is for 10 years, and up to 15 years for construction projects. Loan amount starts at PHP500,000 up to PHP10 million.

- **SME Financing**

  - **SME Revolving Promissory Note Line** a one-year credit facility for Small and Medium Enterprises with assets beyond PHP100 million which allows the borrower to draw funds anytime by signing a Promissory Note up to the approved limit.
  - **SME Term Loan** a loan intended for inventory purchases, permanent working capital, property acquisition, machinery and equipment acquisition available to Small and Medium Enterprises with assets beyond PHP100 million. The tenor can be from 12 months up to 10 years, depending on business requirement.

- **Auto Fleet Financing Loan**

  - A special financing facility to enable companies to acquire multiple vehicles essential to business operations, such as logistics and public transportation, as well as for corporations providing car plans for their employees. The tenor can be from 12 months up to 5 years, depending on business requirement.

- **Development Financing**

  - **Development Revolving Promissory Note Line** a flexible financing facility for real estate companies to fund their requirements above PHP 10 million, for operating expenses, house construction and overall development. This facility, with a tenor up to 8 years, allows the borrower to draw funds in alignment with project phases by signing a Promissory Note up to the approved limit.
  - **Developer Term Loan** a loan intended for substantial funding of large-scale real estate development, with a maximum term of 8 years. This facility allows real estate developers to finance their project requirements of more than PHP 10 million, for the purposes of land acquisition, housing construction and overall development.

- **Consumer Loan**

  - **Auto Loan** makes owning a first car a breeze. Whether buying a brand-new car or a pre-owned vehicle, CBS has affordable amortization schemes and flexible term
  - **Home Loan** makes moving to one's dream house a reality. It can be used for lot or home purchase, home construction, home improvement or to refinance an existing home loan.
  - **Personal Loan** is a non-collateral cash loan that allows a borrower quick access to funds as much as PHP1 million.
  - **Easi-Funds Salary Loan** is a multi-purpose loan facility with affordable repayment schemes and flexible terms offered to salaried employees of CBS-accredited companies.

- **Easi-APDS**

  - **Easi-APDS Loan** is a multi-purpose, non-collateral Automatic Payroll Deduction (APD) Salary Loan offered to the teaching and non-teaching personnel of the Department of Education (DepEd), Autonomous Schools, State Universities and Colleges (SUCs), and Local Universities and Colleges (LUCs) under the Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA), Department of Science and Technology – Philippine Science High School (DOST-PSHS) and other APD market segments covered by an APD Memorandum of Agreement with the Bank. CBS is a duly accredited APD Private Lending Institution.

- **APD Savings Account** is an interest-bearing ATM savings account designed for Department of Education (DepEd) faculty and non-faculty personnel.

CASH MANAGEMENT SERVICES

- **Bills Payment System** is a tie-up arrangement with major and local utility providers, schools, insurance companies, credit card companies or charitable institutions.

- **Deposit Pick-Up Arrangement** is a special type of accommodation given to valued clients where the Bank sends a representative on an agreed schedule at the client's designated office or establishment to collect deposits.

- **Online Payroll Upload** credits employee's payroll accounts via uploading in CBS Online Corp or through the branch. Funds will be available on the same day.

- **Check Write Software** is a checking account which includes software for printing checks and monitoring disbursement electronically.

- **End to End Payroll Software** computes salary in an instant, including regular pay, overtime pay, salary adjustments, taxes, SSS, Pag-Ibig and PhilHealth contributions.

- **Direct Buyers Checking Account** is a special checking account designed to support the operation and collection efforts of the business.

- **Post Dated Check Warehousing** is a service for controlling and managing a client company's inventory of post-dated checks, using a stand-alone system to credit these checks to the client's account when the value date falls due.

- **Easi-Padala** is a remittance service that will assist CBS account and non-account holders with their money transfer to/from their relatives: secured and fast.

Business Contribution

	December 31, 2025		December 31, 2024	
	%	**Amount**	%	Amount
INTEREST INCOME				
Loans and receivables		**₱14,994,335,071**		₱12,532,350,164
Investment securities		**1,538,448,700**		1,289,302,593
Due from BSP and other banks		**566,804,174**		484,857,926
Interbank loans receivable and SPURA		**183,159,311**		166,663,846
		17,282,747,256		14,473,174,529
INTEREST EXPENSE				
Deposit liabilities		**7,343,798,030**		6,277,739,956
Lease liabilities and other borrowings		**51,177,814**		61,502,069
		7,394,975,844		6,339,242,025
NET INTEREST INCOME	**89.99%**	**9,887,771,412**	88.42%	8,133,932,504
Service charges, fees and commissions	**3.86%**	**423,915,185**	4.71%	433,707,136

Gain on asset exchange	**2.83%**	**310,420,688**	3.18%	292,609,625
Income from property rentals	**0.51%**	**56,152,908**	0.62%	56,705,284
Trading and securities gains	**0.23%**	**24,858,609**	0.22%	20,356,048
Miscellaneous	**2.58%**	**283,929,430**	2.85%	261,964,237
TOTAL OPERATING INCOME	**100.00%**	**10,987,048,232**	100.00%	₱9,199,274,834

Distribution Methods of Products and Services

CBS products and services are made available across multiple distribution and delivery channels: 175 branch network; 278 ATM network (252 in-branch and 26 off-site ATMs nationwide); 3 business centers and 22 sales offices mainly supporting the Bank's SME and consumer lending business and 34 APD lending centers and 73 APD branch-lite units (BLUs) primarily supporting the Bank's APD lending business.

The rapidly growing distribution network is enabled by a highly robust and integrated core banking platform FCBS by Infosys. The core banking system allows real-time access to deposit and loan balances 24/7, general ledger and management of credit facilities.

The information on the Bank's distribution and delivery channels are shown in the following tables:

NO	BRANCH	LOCATION/ADDRESS
1	ACACIA ESTATES	Units 8,9,10 Town Center Acacia Estates, Acacia Avenue, Brgy. Bambang, Taguig City
2	ALABANG HILLS	L116 B2-C Alabang Commercial Citi Arcade Don Jesus Boulevard, Cupang, Muntinlupa City
3	AMANG RODRIGUEZ - SAVEMORE	NF2 G/F Amang Rodriguez Avenue corner Evangelista St., Santolan, Pasig City
4	AMORANTO AVENUE	Unit 101 R Place Building, 255 N.S. Amoranto Sr. Ave., Quezon City
5	ANGELES - RIZAL	639 Rizal Street, Lourdes Sur, Angeles City
6	ANGONO	G/F Juana Merced Bldg., Manila East Road cor Don Benito St., San Roque, Angono, Rizal
7	ANONAS - SAVEMORE	Maamo St., Road Lot 30, V. Luna and Anonas Extension, Sikatuna, Quezon City
8	ANTIPOLO	E.M.S. Bldg., Ground Floor 131 M.L. Quezon, Corner F. Dimanlig St., Antipolo City
9	ARAYAT	Mangga-Cacutud, Arayat, Pampanga
10	AYALA AVENUE	6772 VGP Center Ayala Avenue, Makati City
11	BACLARAN	3751 Quirino Avenue Corner Sta. Rita St., Baclaran, Parañaque City
12	BACOLOD	Fordland Bldg. | Annex, 12th Lacson Street, Bacolod City
13	BACOLOD - EAST	East-3 Center, Burgos Ext. Avenue, Brgy. Villamonte, Bacolod City
14	BACOOR - MOLINO	Avon Building, 817 Molino Road, Molino III, Bacoor, Cavite
15	BACOOR - TALABA	U103 Bacoor Town Center, Emilio Aguinaldo Highway, Talaba VII, Bacoor, Cavite
16	BAGUIO - SESSION	B 108 Lopez Bldg., Session Road Corner Assumption Road, Baguio City
17	BALAGTAS	Ultra Mega Supermarket, Mcarthur Highway, Burol 1st, Balagtas, Bulacan
18	BALANGA - DM BANZON	D.M. Banzon Ave. Cor Sto. Domingo Street, Balanga, Bataan
19	BALIBAGO	JEV Bldg., Mac Arthur Highway, Balibago, Angeles City
20	BALIUAG	No. 58 Plaza Naning St., Baliuag, Bulacan
21	BANAWE	No. 247-249 Banawe Street, Sta. Mesa Heights, Barangay Lourdes, Quezon City
22	BANGKAL	G/F Amara Bldg., Evangelista St. Bangkal, Makati City
23	BATANGAS - P. BURGOS	4 P. Burgos Street, Batangas City
24	BIÑAN	National Road, San Vicente Binan, Laguna
25	BINONDO - JUAN LUNA	694-696 Juan Luna St., Binondo, Manila
26	BLUMENTRITT	1667 Blumentritt St., Brgy. 363, Sta. Cruz, Manila
27	BONI AVENUE	Raymond Tower Boni, 615 Boni Avenue, Plainview, Mandaluyong City

NO	BRANCH	LOCATION/ADDRESS
28	BUENDIA MAIN	314 Sen. Gil Puyat Avenue, Makati City
29	BUTUAN CITY	JMC Building, J.C. Aquino Avenue, Brgy. Lapu Lapu, Butuan City, Agusan Del Norte
30	CABANATUAN - BAYAN	Duran Bldg. Burgos Avenue Cabanatuan City, Nueva Ecija
31	CABUYAO	C-257 Centrale Commercial Building, National Highway, Brgy. Sala, Cabuyao City, Laguna
32	CAGAYAN DE ORO	Sergio Osmeña St., Cogon District, Cagayan de Oro City
33	CAGAYAN DE ORO - UPTOWN	Citta Bella @ Primavera City, Units 106,107,108 & 109 Pn Roa Sr. Ave. Upper Carmen, Cagayan De Oro City
34	CAINTA	Lower Ground Floor 04 & 05, CK Square Mall, Ortigas Ave. Ext., Cainta, Rizal
35	CALAMBA	HK Bldg II, National Highway, Brgy. Halang, Calamba, Laguna
36	CANDON CITY	Stern Mall, Mac Arthur Highway, Brgy. San Nicolas, Candon City, Ilocos Sur
37	CARMONA	Loyola St., Brgy. Mabuhay, Carmona, Cavite
38	CAUAYAN	AV Bldg, Gov. FNDY St., Brgy. San Fermin, Cauayan City, Isabela
39	CAVITE CITY	485 LT Building P. Burgos St., Barangay 34, Caridad, Cavite City
40	CEBU – LAHUG	Ground Floor Skyrise IT Bldg., Brgy. Apas, Lahug, Cebu City
41	CEBU – MANDAUE – A.S. FORTUNA	G/F Unit 2, Orion Corporate Center, A.S. Fortuna St., Bakilid, Mandaue City, Cebu
42	CEBU – MANGO AVENUE	JSP Mango Realty Building Corner General Maxilom Avenue and Echavez Sts., Cebu City
43	CEBU MANDAUE - BASAK	Co Tiao King Building, Cebu North Road, Tabok, Mandaue City, Cebu
44	COMMONWEALTH AVENUE	Unit 101, Jocfer Building, Commonwealth Avenue, Brgy. Holy Spirit, Quezon City
45	CONGRESSIONAL AVENUE	G/F 2A Congressional Ave., Brgy. Bahay Toro, Project 8, Quezon City 1106
46	CUBAO	Fernandina 88 Condominium 222 P. Tuazon Ave, Araneta Center, Cubao, Quezon City
47	DAGUPAN	Ground Floor Lyceum-Northwestern University, Tapuac Road, Dagupan City
48	DARAGA	Rizal St., Brgy. San Roque, Daraga, Albay, Bicol
49	DASMARIÑAS	Veluz-Frances Building, Zone 1 Aguinaldo Highway, Dasmarinas, Cavite
50	DAU	MacArthur Highway, Dau, Mabalacat, Pampanga
51	DAVAO	Ground Floor 8990 Corporate Center, Quirino Ave., Davao City
52	DAVAO – LANANG	Km. 09, Old Airport Road, Sasa, Davao City
53	DAVAO – RECTO	Ground Floor, Luis & Betty Bldg C.M. Recto Street, Brgy. 32-D, Davao City
54	DAVAO – TORIL	Upper G/F Unit 1, G Mall of Toril, corner Lim St., Mc Arthur Highway, Toril, Davao-City
55	DEL MONTE	392 Del Monte Avenue, Barangay Sienna, Quezon City
56	DOLORES	STCI Bldg. Mac Arthur Highway, Brgy. San Agustin, San Fernando City, Pampanga
57	DUMAGUETE	Chateau Francisca Building, 200 North Road National Highway, Bantayan, Dumaguete City
58	E. RODRIGUEZ SR. AVENUE	Hemady Square Bldg., E. Rodriguez Avenue Street corner Dona Hemady St., Quezon City
59	ESPAÑA - SUN MALL	Ground Floor Sun Mall, Espana Boulevard corner Mayon St., Brgy. Sta. Teresita, Quezon City
60	FELIX HUERTAS - JT CENTRALE	Unit 103, Ground Floor, JT Centrale Mall, No. 1686 V. Fugoso St. corner Felix Huertas St., Sta. Cruz, Manila
61	FILINVEST CORPORATE CITY	Ground Floor Unit 2 Zarcon Building East Asia Drive Commerce Avenue, Alabang, Muntinlupa City
62	FTI – HYPERMRKET TAGUIG	DBP Avenue, Food Terminal Inc., Western Bicutan, Taguig
63	G. ARANETA AVENUE	193 G. Araneta Avenue, Quezon City
64	GENERAL SANTOS	Go Chay Ching Bldg., Santiago Boulevard, General Santos City
65	GENERAL TRIAS	Ground Floor VCentral Building, New Brgy. Manggahan, General Trias, Cavite
66	GIL PUYAT - BAUTISTA	Lot 25 Blk 74 Bautista Street corner Buendia Avenue, Makati
67	GREENHILLS - ORTIGAS AVE.	Ground Floor VAG Building Ortigas Avenue, Greenhills San Juan, Metro Manila
68	GREENHILLS – WILSON	219 Wilson St., Greenhills, San Juan City
69	GUAGUA	Unity Bank Building, Plaza Burgos, Guagua, Pampanga

NO	BRANCH	LOCATION/ADDRESS
70	GUIGUINTO – RIS	RIS-5 Industrial Complex, No. 68 Mercado Street, Tabe, Guiguinto, Bulacan
71	IBA	National Highway, Zone 6 Poblacion (Baytan), Iba, Zambales
72	ILOILO – IZNART	Golden Commercial Bldg., Iznart, Iloilo City
73	ILOILO – JARO	Lopez Jaena corner EL 98 Streets, Jaro, Iloilo
74	IMUS - TANZANG LUMA	Olma Bldg, Gen. Emilio Aguinaldo Highway, Tanzang Luma, Imus, Cavite
75	KALIBO – CITYMALL	Lot 3459-E-1, Toting Reyes St., Barangay Andagao, Kalibo, Aklan
76	KALOOKAN	478 Augusto Bldg., Rizal Ave., Gracepark, Kalookan City
77	KALOOKAN – MABINI	AJ Building, #353 A. Mabini St, Kalookan City
78	KATIPUNAN AVENUE	One Burgundy Condominium, Katipunan Avenue, Quezon City
79	KAWIT	Unit 105 G/F Lokal Mall Kawit, Centennial Road, Brgy. Magdalo, Kawit, Cavite
80	LA UNION	A.G. Zambrano Building Quezon Avenue San Fernando City, La Union
81	LAGRO	Ground Floor Bonanza Building Quirino Hi-Way, Greater Lagro Novaliches Quezon City
82	LAGUNA - STA. CRUZ	E & E Building, Pedro Guevarra Avenue, Sta. Cruz, Laguna
83	LAOAG CITY	Ground Floor LC Square Building, J.P. Rizal corner M.V. Farinas Sts., Laoag City, Ilocos Norte
84	LAS PINAS - ALMANZA UNO	Ground Floor Aurora Archade Bldg. Alabang Zapote Road, Almanza Uno, Las Piñas City
85	LEGAZPI CITY	F.Imperial St., Brgy. Bitano, Legazpi City, Albay
86	LINGAYEN	Unit 5-6, The Hub - Lingayen Bldg., National Road, Poblacion, Lingayen, Pangasinan
87	LIPA - CM RECTO	C.M. Recto Avenue, Lipa City
88	LOS BAÑOS - CROSSING	Lopez Avenue, Batong Malake, Los Banos, Laguna
89	LUCENA	Cor. Merchan & Evangelista Sts., Lucena City
90	MACABEBE	D.H Polintan Bldg. Poblacion San Gabriel, Macabebe, Pampanga
91	MAKATI - CHINO ROCES	2176 Graceland Plaza, Chino Roces Avenue, Makati City
92	MAKATI - J.P. RIZAL	882 J.P. Rizal St., Makati City
93	MALABON - FRANCIS MARKET - SAVEMORE	Francis Market, Governor Pascual corner M.H. Del Pilar Sts., Malabon
94	MALOLOS	Canlapan Street, Sto. Rosario, Malolos City, Bulacan
95	MALOLOS - CATMON	Paseo Del Congreso, Catmon Malolos City, Bulacan
96	MANDALUYONG	Paterno's 572 New Panaderos Ext., Mandaluyong City
97	MARIKINA	33 Bayan-Bayanan Ave., Brgy. Concepcion 1, Marikina City
98	MARIKINA - GIL FERNANDO AVE.	CTP Building Gil Fernando Ave., Marikina City
99	MEYCAUAYAN	Mancon Building, Calvario Meycauayan, Bulacan
100	MOUNT CARMEL	Km 78 Mac Arthur Hiway Brgy. Saguin, San Fernando City, Pampanga
101	NAGA	RL Building, Panganiban St., Lerma, Naga City
102	NAVOTAS	FP Commercial Building, No. 855 M. Naval St., Brgy. Sipac-Almacen, Navotas City
103	NINOY AQUINO AVE.	Ground Floor Skyfreight Building Ninoy Aquino Ave., Cor. Pascor Drive Paranaque City
104	NOVALICHES	Ground Floor, Anchor 11, Nova Plaza Mall, Quirino Avenue corner N. Ramirez Street, Novaliches, Quezon City
105	OLONGAPO	G/F C&C Commercial Hub, 790-A Rizal Avenue, East Tapinac, Olongapo City, Zambales
106	ONGPIN	Unit 576-578, Ground Floor, Ramada Manila Central Hotel, Quintin Paredes Road, Binondo, Manila
107	ORANI	National Road, Brgy. Balut, Orani, Bataan
108	ORMOC CITY	G/F Niko's Ark Building, Real St.Brgy. South, Ormoc City
109	ORTIGAS CENTER	Ground Floor, Hanston Square, San Miguel Avenue, Ortigas Center, Pasig City
110	PADRE FAURA	483 Padre Faura, Brgy. 667, Ermita, Manila City
111	PANABO CITY	Purok Alaska, Quezon St., New Pandan, Panabo City, Davao del Norte
112	PARAÑAQUE - BETTER LIVING	90 Dona Soledad Avenue, Better Living Subd, Bicutan, Paranaque
113	PARAÑAQUE - BF HOMES	284 Aguirre Avenue, B.F. Homes, Paranaque
114	PARANAQUE - JAKA PLAZA	Jaka Plaza Center, Dr. A. Santos, Ave., Sucat Pque City
115	PARAÑAQUE - LA HUERTA	1070 Quirino Avenue, La Huerta, Parañaque City

NO	BRANCH	LOCATION/ADDRESS
116	PARAÑAQUE - MOONWALK	Kassel Residence Building, E. Rodriguez Avenue, Moonwalk, Parañaque City
117	PASAY - LIBERTAD	533 Arnaiz St. Libertad, Pasay City
118	PASIG - CANIOGAN	Unit A, KSN Building, C. Raymundo Avenue, Caniogan, Pasig City
119	PASIG - MUTYA	Richcrest Building, Caruncho Corner Market Avenue, San Nicolas, Pasig City
120	PASIG - PADRE BURGOS	114 Padre Burgos St., Brgy. San Jose, Pasig City
121	PASO DE BLAS	Andoks Bldg. 629 Gen. Luis St., Paso De Blas, Valenzuela City
122	PATEROS	Unit CC1, G/F East Mansion Townhomes along Elisco Road, Sto. Rosario, Pateros, Metro Manila
123	PATEROS - ALMEDA	120 M. Almeda Street, Pateros, Metro Manila
124	PEDRO GIL	LKE Bldg. Pedro Gil corner Pasaje, Rosario St. Paco, Manila
125	PLARIDEL	Banga, Plaridel, Bulacan
126	PLAZA - STA. CRUZ	MBI Building, Unit 103, Plaza Sta. Cruz, Sta. Cruz, Manila
127	PORAC	Gen. Luna St., Brgy. Cangatba, Porac, Pampanga
128	QUEZON AVENUE	Ground Floor GJ Bldg., 385 Quezon Ave., Quezon City
129	QUEZON AVENUE - PALIGSAHAN	1184-A Ben-Lor Bldg. Brgy. Paligsahan, Quezon City
130	QUIAPO - ECHAGUE	Carlos Palanca St., cor P. Gomez St., Echague, Quiapo, Manila
131	RADA	104 Rada St., Brgy. San Lorenzo, Legaspi Village, Makati City
132	ROXAS AVE. - CAPIZ CITYMALL	Roxas Ave., Brgy. VI, Roxas City, Capiz
133	SAN FERNANDO	KHY Trading Bldg., San Fernando-Gapan Rd., San Fernando City, Pampanga
134	SAN FERNANDO - BAYAN	JSL Building, Consunji Street, City of San Fernando, Pampanga
135	SAN ILDEFONSO - SAVEMORE	Savemore Bldg. San Ildefonso, Poblacion, Bulacan
136	SAN JOSE DEL MONTE	Ground Floor, Giron Building, Gov. Halili Avenue, Tungkong Mangga, City of San Jose Del Monte, Bulacan
137	SAN JUAN	264 Madison Square N. Domingo St., Brgy. Pasadena, San Juan
138	SAN MIGUEL	R & L Commercial Building, Tecson St., Brgy. San Jose, San Miguel, Bulacan
139	SAN NARCISO	National Road, Brgy. Libertad, San Narciso, Zambales
140	SAN PABLO - RIZAL AVE.	Rizal Avenue Cor Lopez Jaena St. San Pablo City, Laguna
141	SAN PEDRO	Gen - Ber Bldg. National Highway Landayan, San Pedro Laguna
142	SAN RAFAEL	Cagayan Valley Road, Cruz Na Daan, San Rafael, Bulacan
143	SANTIAGO - VICTORY NORTE	Maharlika Highway Corner Quezon St. Victory Norte, Santiago City
144	SHAW BOULEVARD	Ground Floor, 500 Shaw Tower, Shaw Boulevard, Mandaluyong City
145	SORSOGON CITY	God is Good Bldg, Purok 5 Rizal St., Piot, West District, Sorsogon City
146	SOUTH TRIANGLE	Ground Floor, Sunnymede IT Center, Brgy. South Triangle, Quezon Ave., Quezon City
147	STA. ANA	Poblacion, Sta. Ana, Pampanga
148	STA. ANA - MANILA	Savemore, Pedro Gil St., Sta. Ana, Manila
149	STA. MARIA	Gen. Luna Cor M. De Leon Street, Poblacion, Sta. Maria, Bulacan
150	STA. MESA	4128 Ramon Magsaysay Blvd., Sta. Mesa, Manila
151	STA. RITA	San Vicente, Sta. Rita, Pampanga
152	STA. ROSA	Sta. Rosa-Tagaytay Highway, Sta. Rosa, Laguna
153	STA. ROSA - BALIBAGO	Old National Hi-Way Cor Roque Lazaga St. Sta. Rosa, Laguna
154	STO. TOMAS	Agojo Corp. Building, Maharlika Hi-Way, Sto. Tomas Batangas
155	SUBIC	Baraca, Subic, Zambales
156	TACLOBAN CITY	YVI Center, Bldg A, Fatima Village, Brgy. 77, Tacloban City, Leyte
157	TAFT – QUIRINO AVENUE	1945 Esther Building, Taft Avenue, Malate, Manila
158	TAGAYTAY	TSL Center Tagaytay, No. 9089 Gen. Emilio Aguinaldo Highway, Mendez Crossing East, Tagaytay City, Cavite
159	TAGBILARAN	Upper Ground Floor, Alta Citta Mall, Honorio Grupo St. and C.P. Garcia Ave., Tagbilaran City, Bohol
160	TAGUM - CITYMALL	T1 & T2 CItyMall Purok N.E. Baysa, Barangay Visayan Village, Tagum City
161	TALISAY CITY	Units B112,B113,B114 G/F Bldg. B, South Coast Center, Brgy. Linao, Talisay City, Cebu
162	TALISAY – NEGROS - SAVEMORE	Mabini St., Zone 12, Paseo Mabini, Talisay City, Negros Occidental

NO	BRANCH	LOCATION/ADDRESS
163	TANAUAN	Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
164	TANDANG SORA	Cecileville Bldg. III, 670 Tandang Sora Ave. corner General Ave, Tandang Sora, Quezon City
165	TARLAC - MAC ARTHUR	Mac Arthur Highway San Nicolas, Tarlac City
166	TAYTAY	C. Gonzaga Building II, Manila East Road, Taytay, Rizal
167	TAYUMAN	1925-1929 Rizal Avenue near corner Tayuman St., Sta. Cruz, Manila
168	TIMOG	Jenkinsen Towers 80 Timog Avenue, Quezon City
169	TUGUEGARAO	Metropolitan Cathedral Parish Rectory Complex Rizal St., Tuguegarao City
170	TWO E-COM	Two E-Com Center Tower B, Ocean Drive near corner Bayshore Drive, Mall of Asia Complex, Pasay City
171	URDANETA	Brgy. Nancayasan, Mc Arthur Hi-Way, Urdaneta City, Pangasinan
172	VALENZUELA - MARULAS	92 J Mac Arthur Hi-way, Marulas, Valenzuela City
173	VIGAN	G/F Plaza Maestro Convention Center, Florentino St., Vigan City, Ilocos Sur
174	VISAYAS AVE.	Upper Ground Floor, Wilcon City Center Mall, Visayas Avenue, Quezon City
175	ZAMBOANGA - CITYMALL	City Mall, Don Alfaro St., Brgy. Tetuan, Zamboanga

NO	ATM OFF-SITE	LOCATION/ADDRESS
1	ALTURAS	Alturas Panglao Supermarket -Purok 3, Airport Road, Panglao Bohol, 6340
2	AMSI DOCTOR'S MEDICAL CENTER INC.	National Highway, Brgy. Halang, Calamba City
3	BOCAUE SPECIALIST	2834 Mc Arthur High Way, Lolomboy, Bocaue, Bulacan
4	CALAMBA DOCTORS HOSPITAL	KM. 49 National Highway, Parian, Calamba City, Laguna
5	CARDINAL SANTOS MEDICAL CENTER	10 Wilson, Greenhills West, San Juan, 1502 Metro Manila
6	CAVITE MEDICAL CENTER	Manila Cavite Road, Dalahican, Cavite City
7	C.P. REYES HOSPITAL	C.P. Reyes Hospital, Mabini Avenue, Tanauan, 4232 Batangas
8	FCG ALPHA	3G Daily Food Mart and Food Park Lot 4A NIA Road Mamatid, Cabuyao Laguna City
9	LA SUERTE	Isabela La Suerte Rice Mill Corporation
10	MANATAL	No.263 Bunsuran 2nd, Pandi, Bulacan
11	MANILA TURF CLUB	San Pioquinto, Malvar, Tanauan, Batangas City
12	METRO DUMAGUETE	E.J Blanco drive extension, Daro Dumaguete City, Negros Oriental
13	NICODEMUS	CJ'S Commercial Building, Brgy. Pasong Kalap 3022 San Jose del Monte Bulacan
14	PAMPANGA’S BEST 1	Pampangas Best Inc Zone 4 Dela Paz Norte San Fernando City Pampanga
15	PARAÑAQUE PMC	Dr. A. Santos Ave 1, 1715 Parañaque, National Capital Region
16	PHIRST PARK	Phirst Centrale Hermosa, along B.P. Roman Highway, Hermosa, Bataan
17	PRESCO	Sunros Subdivision Brgy. Anao, Mexico, Pampanga
18	PROVIDENCE	1515 Quezon Ave, Diliman, Quezon City, 198702 Metro Manila
19	RIS DEVELOPMENT CORPORATION	168 Mercado Street, Tabe, Guiguinto, Bulacan
20	SAN ISIDRO HOSPITAL	San Isidro Hospital - Extension facility, M.L. Quezon Avenue, Brgy. San Isidro, Angono Rizal
21	SHERWOOD	Barangays Cabezas and Lallana, Trece Martires City, Cavite
22	ST. LOUIS COLLEGE LA UNION	St.Louis College Carlatan San Fernando City, La Union
23	VIRGINIA	Virginia Factory Outlet, Compostela, Cebu City
24	WRAP AND CARRY	Lot 670-A Trapicge Road Zone 1 Trapiche, Tanauan City, Batangas
25	ZAMECO	ZAMECO II Head Office Compound, National Road, Brgy. Magsaysay, Castillejos, Zambales
26	ZAMECO 2	ZAMECO II Head Office Compound, National Road, Brgy. Magsaysay, Castillejos, Zambales

NO	BUSINESS CENTER	LOCATION/ADDRESS
1	CEBU BUSINESS CENTER	2/F JSP Mango Realty Building Corner General Maxilom Avenue and Echavez Sts. Cebu City
2	DAVAO BUSINESS CENTER	3/F 8990 Corporate Center, Quirino Ave., Davao City
3	SAN FERNANDO BUSINESS CENTER	JSL Building, Consunji Street, San Fernando City, Pampanga

NO	SALES OFFICE	LOCATION/ADDRESS
1	BACOLOD	Fordland Bldg. | Annex, 12th Lacson Street, Bacolod City
2	BAGUIO - SESSION	D303 Lopez Building, Session Road, Assumption Road, Baguio City
3	BOHOL	Alta Citta Mall, Upper Ground Floor, Honorio Group St. and C.P. Garcia Ave., Tagbilaran City
4	BUTUAN	JMC Bldg., J.C. Aquino Avenue, Brgy Lapu-Lapu, Butuan City, Agusan del Norte
5	CABANATUAN-BAYAN	2/F CBS Cabanatuan, Burgos Avenue, Cabanatuan City, Nueva Ecija
6	CAGAYAN DE ORO	2/F CBS Cagayan de Oro Branch, Osmena Street, Cogon District, Cagayan De Oro City
7	CANDON	Stern Mall, Mac Arthur Highway, Brgy. San Nicolas, Candon City, Ilocos Sur
8	DAGUPAN	Ground Floor Lyceum-Northwestern University, Tapuac Road, Dagupan City
9	DUMAGUETE	Chateau Francisca Building, 200 North Road National Highway, Bantayan, Dumaguete City
10	GENSAN	2/F CBS General Santos Branch, Santiago Blvd., Brgy. Dadiangas South, General Santos City
11	IBA	National Highway, Zone 6 Poblacion (Baytan), Iba, Zambales
12	ILOILO - JARO	2/F CBS Lopez Jaena Street, corner EL 98 Jaro, Iloilo City
13	IMUS	Olma Bldg, Gen. Emilio Aguinaldo Highway, Tanzang Luma, Imus Cavite
14	LA UNION	A.G. Zambrano Building Quezon Ave., San Fernando City, La Union
15	LEGAZPI	F. Imperial St. Brgy. Bitano, Legazpi City, Albay
16	LIPA – CM RECTO	2/F C.M. Recto Ave., Lipa City
17	MARIKINA	3/F CTP Building, 3F, Gil Fernando Ave Marikina City
18	NAGA	RL Building, Panganiban St., Lerma, Naga City
19	PLARIDEL	2/F CBS Building, Cagayan Valley Road, Banga 1st, Plaridel, Bulacan
20	SAN PABLO	2/F Rizal Ave. cor. A. Fule St., San Pablo City, Laguna
21	TACLOBAN	YVI Center, Bldg. A, Fatima Village, Brgy. 77, Tacloban City, Leyte
22	URDANETA	Brgy. Nancayasan, Mc Arthur Hi-Way, Urdaneta City, Pangasinan

NO	APD LENDING CENTER	LOCATION/ADDRESS
1	BACOLOD	Fordland Bldg. | Annex, 12th Lacson Street, Bacolod City
2	BAGUIO	B 108 Lopez Bldg., Session Road Corner Assumption Road, Baguio City
3	BATANGAS P. BURGOS	2/Floor 4 P. Burgos Street, Batangas City, Batangas
4	BLUMENTRITT	1677 Blumentritt St., Brgy. 363, Sta. Cruz, Manila
5	BUTUAN	JMC Building, JC Aquino Ave. Brgy. Lapu Lapu, Butuan City, Agusan Del Norte
6	CABANATUAN – BAYAN	2/Floor Dumar Building Padre Burgos Ave. Cabanatuan City, Nueva Ecija
7	CAGAYAN DE ORO	2/F Sergio Osmeña St., Cogon District, Cagayan De Oro City
8	CEBU	Unit 204 JSP Mango Realty Building Corner General Maxilom Avenue and Echavez Sts., Cebu City
9	DAVAO	8990 Corporate Center, Quirino Ave., Davao City
10	GENERAL SANTOS	G/F, CBS, Santiago Boulevard, General Santos City
11	ILOILO - IZNART	Golden Commercial Bldg., Iznart, Iloilo City
12	IMUS CAVITE	Gen. Emilio Aguinaldo Highway, Anabu II Imus cavite
13	KALIBO	G/F Maypa Bldg., Toting Reyes Street, Agdagao, Kalibo Aklan
14	KALOOKAN	2/Floor AJ Building, #353 A. Mabini St, Kalookan City
15	LA HUERTA	Quirino Avenue, La Huerta, Paranaque City
16	LA UNION	A.G. Zambrano Building Quezon Avenue San Fernando City, La Union
17	LEGAZPI	2/Floor Lot 4-6 Blk 20 PCS-1617, Sol's Subdivision, Purok 5, 37 Bitano, Legazpi City

NO	APD LENDING CENTER	LOCATION/ADDRESS
18	LINGAYEN	The Hub Bldg., G/F Unit 5&6, Solis St., Brgy. Poblacion, Lingayen, Pangasinan
19	LIPA – CM RECTO	2/Floor CBS Building C.M. Recto Avenue Brgy. 4, Lipa City
20	LUCENA	Cor. Merchan & Evangelista Sts., Lucena City
21	MALOLOS	2/Floor Canlapan St., Sto. Rosario, Malolos Bulacan
22	ORANI	2/Floor, CBS Commercial Arcade, Along Provincial Road, Balut, Orani, Bataan
23	PAMPANGA	JSL Building, Consunji St., City of San Fernando, Pampanga
24	PASIG	2/Floor Richcrest Building, Caruncho Corner Market Avenue, San Nicolas, Pasig City
25	QUEZON AVENUE	2/Floor, G.J. Building, 385 Quezon Avenue, Quezon City
26	SAN PABLO	Rizal Avenue Cor Lopez Jaena St., San Pablo City, Laguna
27	SANTIAGO	JECO Building Maharlika Hi-way, Corner Quezon Ave. Victory Norte Santiago City
28	SORSOGON	JL Pena Comml Bldg, Rizal St., Purok 5, Piot, West District, Sorsogon City, Sorsogon
29	TACLOBAN	YVI Center, Bldg. A, Fatima Village, Brgy. 77, Tacloban City, Leyte
30	TAGAYTAY	TSL Center Tagaytay, No. 9089 Gen. Emilio Aguinaldo Highway, Mendez Crossing East, Tagaytay City, Cavite
31	TAGUM	City Mall Maharlika Highway cor Lapu-lapu ext. Brgy. Magugpo, Tagum City
32	TANAUAN	Jose P. Laurel National Highway, Darasa, Tanauan City, Batangas
33	TAYTAY	2/Floor, C Gonzaga Building II, Manila East Road, Taytay, Rizal
34	VIGAN	Plaza Maestro Convention Center, Florentino St., Vigan City, Ilocos Sur

NO	APD BLU	LOCATION/ADDRESS
1	ALAMINOS, PANGASINAN	Unit 101 S & L Bldg. Brgy. Palamis, Alaminos City, Pangasinan
2	BALAMBAN, CEBU	DC Sanchez St., Sta. Cruz, Balamban, Cebu
3	BALER, AURORA PROVINCE	Stall #3, Bonifacio Street, Brgy. Suklayin, Baler, Aurora
4	BALIBAGO, STA. ROSA LAGUNA	7LL Pearl Rd. Balibago Complex, Brgy. Balibago, Sta. Rosa, Laguna
5	BANGUED, ABRA	Oval Era Mall, Taft St., Zone 4, Bangued, Abra
6	BISLIG CITY, SURIGAO DEL SUR	R.B. Castillo St., Brgy. Mangagoy, Bislig City, Surigao del Sur
7	BOAC, MARINDUQUE	Deogracias St. cor San Miguel St., Malusak, Boac, Marinduque
8	BOGO CITY, CEBU	Sim Building, Sim Bogo Business Park, P. Rodriguez St., Bogo City, Cebu
9	BONTOC, MT PROVINCE	Aguana Building, Loc-ong, Poblacion, Bontoc, Mountain Province
10	BOTOLAN, ZAMBALES	Casa Bien Bldg., Brgy. Batonlapoc, Botolan, Zambales
11	CABARROGUIS, QUIRINO PROVINCE	P1 Gundaway, Cabarroguis, Quirino
12	CADIZ, NEGROS OCCIDENTAL	Unit 3, 4&5 RJPS III Building, No. 29 Magsaysay St, Cadiz City, Negros Occidental
13	CALAPAN CITY, ORIENTAL MINDORO	R.King Commercial Bldg. Roxas Drive, Brgy. Nacoco, Calapan City, Oriental Mindoro
14	CALBAYOG CITY, SAMAR	Nijada Corner Rueda Sts., Calbayog City, Samar
15	CAMALANIUGAN, CAGAYAN	Tuzon Building, Bulala, Camalaniugan, Cagayan
16	CARCAR, CEBU	Door 2 J.P. Rizal St. Poblacion Carcar City, Cebu
17	DAET, CAMARINES NORTE	Alegre Building, J. Lukban St. Daet, Camarines Norte
18	DIGOS CITY, DAVAO DEL SUR	CPP Building II, Rizal Avenue, Zone 1, Digos City, Davao Del Sur
19	DIPOLOG CITY, ZAMBOANGA DEL NORTE	SD Arcade, Rizal Ave, Dipolog City, 7100 Zamboanga del Norte
20	DUMAGUETE, NEGROS ORIENTAL	A-3, Ground floor, Central Arcade Building, Cervantes Street, Dumaguete City, Negros Oriental
21	ESTANCIA, ILOILO	Old Sacramento Building, Sitio Poblacion Highway Cano-An, Estancia, Iloilo
22	GERONA, TARLAC	Morayta Street Poblacion 3, Gerona, Tarlac
23	GINGOOG CITY, MISAMIS ORIENTAL	MRJ Building, Purok 3, Brgy 24 A, Gingoog City, Misamis Oriental
24	GLAN, SARANGANI PROVINCE	Jose Hombrebueno St., Plaza Rizal, Brgy. Poblacion, Glan, Sarangani Province

NO	APD BLU	LOCATION/ADDRESS
25	GUIHULNGAN, NEGROS ORIENTAL	S. Villegas Street, National Highway corner Sikatuna, Guihulngan, Negros Oriental
26	GUMACA, QUEZON PROVINCE	Rm Building, Maharlika Highway, A. Bonifacio, Brgy. Tabing Dagat, Gumaca, Quezon
27	ILAGAN, ISABELA	Precious Building, Brgy. Calamagui 2nd, Ilagan City, Isabela
28	ILIGAN CITY	Quezon Ave. Ext. Brgy. Villaverde, Pob. Iligan City, Lanao del Norte
29	INFANTA, QUEZON PROVINCE	Plaridel St., Poblacion 38, Infanta, Quezon Province
30	IPIL, ZAMBOANGA SIBUGAY	GFS 9, Gaisano Grand Mall Ipil, Purok Banab, Brgy. Veterans Village, Ipil, Zamboanga Sibugay
31	IRIGA CITY, CAMARINES SUR	Everest Plaza Building, Zone 5, Highway I, San Miguel, Iriga City, Camarines Sur
32	ISULAN, SULTAN KUDARAT	JCB Building, Magbanua St., Corner National Highway, Kalawag I, Isulan, Sultan Kudarat
33	JORDAN, GUIMARAS	Piazza Zemarkato Building, New Site, Brgy. San Miguel, Jordan, Guimaras
34	KABANKALAN CITY, NEGROS OCCIDENTAL	Dinsay Building, National Highway Mabinay, Kabankalan City, Negros Occidental
35	KIDAPAWAN, NORTH COTABATO	Brookside Building, Datu Ingkal St., Poblacion, Kidapawan City, North Cotobato
36	KORONADAL CITY, SOUTH COTABATO	MCM Villamor Building, Gen. San Drive, Zone II, Koronadal City, South Cotabato
37	LA CARLOTA, NEGROS OCCIDENTAL	Unit A - D, Gurrea corner Burgos St., La Carlota City, Negros Occidental
38	LAGAWE, IFUGAO	07 Rizal Avenue, Poblacion East, Lagawe, Ifugao
39	LUNA, APAYAO	Stall # 3, Cristobal Building, San Isidro Sur, Luna, Apayao
40	MALAYBALAY CITY, BUKIDNON	Fortich Street, Barangay 9, Malaybalay City, Bukidnon
41	MASBATE	Ross Hotel, Quezon St., Masbate City
42	MATI CITY, DAVAO ORIENTAL	Madayaway Distributor Inc., Rizal Extension, Mati, Davao Oriental
43	MIDSAYAP, NORTH COTABATO	LMJ's Commercial Building, Quezon Avenue St., Poblacion 8, Midsayap, North Cotabato
44	NABUNTURAN, DAVAO DE ORO	National Highway, Poblacion, Nabunturan, Davao De Oro
45	NAGA, CAMARINES SUR	ELS Building, Panganiban Drive, Concepcion Pequeña, Naga City, Camarines Sur
46	NAVAL, BILIRAN	Corvera St. Brgy. Santissimo Rosario, Naval, Biliran
47	ODIONGAN, ROMBLON	JBM Building, Regional Highway, Torrel, Dapawan, Odiongan, Romblon
48	ORMOC CITY, LEYTE	Real Street District 22, Ormoc City, Leyte
49	OZAMIS, MISAMIS OCCIDENTAL	JME Building, Rizal Avenue corner Capistrano St., Ozamis City, Misamis Occidental
50	PAGADIAN, ZAMBOANGA DEL SUR	Broca St. corner B. Aquino St., Pagadian, Zamboanga Del Sur
51	PASSI CITY, ILOILO	LA Building, M. Palmares Street, Brgy. Poblacion Ilawod, Passi City, Iloilo
52	PUERTO PRINCESA, PALAWAN	Rizal Avenue, corner Roxas St. Brgy. Tagumpay, Puerto Princesa City, Palawan
53	ROXAS, CAPIZ	1McKinley Building, McKinley corner San Roque Sts., Roxas City, Capiz
54	SAN CARLOS, NEGROS OCCIDENTAL	V. Gustilo St., San Carlos City, Negros Occidental
55	SAN FRANCISCO, AGUSAN DEL SUR	Roxas St., Purok 2, Brgy. 4, San Francisco, Agusan del Sur
56	SAN JOSE DE BUENAVISTA, ANTIQUE	AML Building 1, Cor. Dalipe Atabay, San Jose De Buenavista, Antique
57	SAN JOSE, NUEVA ECIJA	Maharlika Highway, Brgy. Malasin, San Jose City, Nueva Ecija
58	SAN JOSE, OCCIDENTAL MINDORO	Labangan Poblacion, San Jose, Occidental Mindoro
59	SAN NICOLAS, ILOCO NORTE	G/F Unit 6, Vyv Building, Valdez Center, Brgy. 1, San Nicolas, Ilocos Norte
60	SOGOD, SOUTHERN LEYTE	Zone IV, Osmena St. Sogod Southern Leyte
61	SOLANO, NUEVA VIZCAYA	2627 Zurman Plaza, 225 J.P. Rizal Avenue, Poblacion South, Solano, Nueva Vizcaya

NO	APD BLU	LOCATION/ADDRESS
62	SURIGAO, SURIGAO DEL NORTE	Gaisano Capital Mall Building, KM.4 Barangay Luna., Surigao City, Surigao Del Norte
63	TABUK, KALINGA	Sebastian Building, Purok 3, Bakras, Bulanao, Tabuk City, Kalinga
64	TAGBILARAN, BOHOL	Old Holy Spirit School Building A, Jacinto Borja corner Remolador Street, Tagbilaran City, 6300 Bohol
65	TANAY, RIZAL	2/F Manila East Road Cor E. Rodriguez Ave., Tanay, Rizal
66	TANDAG CITY, SURIGAO DEL SUR	Donasco St., Tandag City, Surigao del Sur
67	TANZA, CAVITE	5 Antero Soriano Highway, Daang Amaya 1, Tanza, Cavite
68	TETUAN, ZAMBOANGA DEL SUR	Unit 05-06 Ground floor, JSB Bldg., Don Alfaro St. Tetuan, Zamboanga Del Sur
69	TUBOD, LANAO DEL NORTE	Unit 4 & 5, Crossing, Tubod, Lanao Del Norte
70	TUGUEGARAO, CAGAYAN	Luna St., Centro, Tuguegarao, Cagayan
71	URDANETA, PANGASINAN	Alexander St. Cor. Belmonte St., Brgy. Poblacion, Urdaneta City, Pangasinan
72	VALENCIA CITY, BUKIDNON	Tamay Lang Business Triangle Building, Hagkol, Sayre Highway, Valencia City, Bukidnon
73	VIRAC, CATANDUANES	2/F Imperial Building, Gogon Centro, Virac, Catanduanes

Competition

The Philippine banking system (PBS) sustained its growth momentum in 2025, with banks continuing to hold 83% of the financial system's total resources, underscoring their central role in supporting domestic economic expansion. This growth helped meet the financing requirements of the country's expanding economy, even as business confidence softened due to a widening corruption scandal. The sector's performance was reinforced by stable domestic deposits, strong liquidity and capital buffers, and healthy credit demand supported by easing inflation and improving funding conditions. Looking ahead to 2026, growth is expected to remain steady though more measured, supported by monetary easing, recovering construction activity, and continued lending to priority sectors such as infrastructure, consumption, and small and medium enterprises, while nonbank financial institutions are also seen to benefit from stronger capital market activity.

For the year of 2025, PBS total assets expanded to ₱29.9 trillion, marking an 8.9% increase year-on-year, primarily driven by lending and investments. Thrift banks contributed ₱1.4 trillion, representing 4.6% of system-wide assets, and posted a strong 25% growth compared to the prvious year-end figure of ₱1.1 trillion.

The system's gross loan portfolio rose by 11.7% to ₱17.1 trillion, slightly higher than the 10.6% growth recorded in the same period last year. Thrift banks posted with a 30% year-on-year increase, bringing their total loan portfolio to ₱1.03 trillion, up from ₱790.8 billion at year-end 2024.

Deposits remain the primary funding source for lending and investments, with system-wide deposits expanding by 7.4% to ₱21.9 trillion. Thrift banks account for approximately 4.7% of total deposits, reflecting their niche in retail banking and consumer markets.

Profitability remained firm, supported by improved macroeconomic conditions and stable asset quality. System-wide net profits rose by 3.7% year-on-year to ₱405.6 billion for the year ended 2025. Thrift banks posted ₱19.7 billion in net profit, a 2.7% decline year-on-year compared to ₱20.3 billion in the same period of 2024 due mainly to rising non-interest expenses and higher provisions.

Capital strength continues to underpin resilience. As of December 2025, the banking system’s capital adequacy ratio (CAR) stood at 15.8%, well above the BSP’s regulatory minimum of 10%. Thrift banks reported a CAR of 17.3% indicating strong capitalization.

Based on the latest published statement of condition (SOC), submitted with the BSP which differs from Philippine Financial Reporting Standards (PFRS) in some respects, as of December 31, 2025, CBS was the second largest thrift bank in terms of resources, loans and ranks first in deposits.

CBS believes that local players would maintain a solid foothold in the domestic market despite the tougher competition.

Sources and Availability of Raw Materials and the Names of Principal Suppliers

Not applicable

Customer/Clients

There is no single customer that accounts for 20% or more of the Bank’s deposits and loans.

Transaction With and/or Dependence on Related Parties

In the ordinary course of business, the Bank has loans and other transactions with its Parent Bank and affiliates, and with certain directors, officers, stockholders and their related interest (DOSRI). These loans and other transactions are in accordance with the Bank's policy and are regularly reviewed by the Related Party Transaction Committee to ensure that they are conducted at arm's length basis, at fair market prices and upon terms not less favorable to Bank than those offered to others and in compliance with all regulatory requirements. Related party transactions are presented to the stockholders during the annual stockholders' meeting for ratification.

Transactions with related parties and with certain DOSRI are discussed in the Audited Financial Statements (**Exhibit 2**).

Trademarks, Licenses, Franchises, etc.

CBS is operating under a thrift banking license obtained in 1999. Over the years, CBS has registered its corporate brand, slogan and product trademarks with the Intellectual Property Office (IPO) of the Philippines – Bureau of Trademarks, as follows:

- The Bank is operating under a thrift banking license per MB Resolution No. 512 dated April 21, 1999.
- The Bank is the registered owner of the logo of CBS and the trademarks: *Easi-Save, Easi-Checking, Easi-Earn, Easi-Funds, Easi-Drivin’, Easi-Livin’, Easi-Financin’ and CBS Easi-Padala*.
- In 2015, the Bank obtained a bancassurance license from BSP.
- The Bank launched its new tagline, "Easy Banking For You" in 2017 and submitted with the IPO the trademark application for "Easy Banking For You" and Easi-APDS Loan.

- The Bank also filed applications for trade names *'Plantersbank'* and *'Planters Development Bank'.*

Need for Any Government Approval of Principal Products or Services

The Bank's business activities are regulated by the government agencies such as BSP, Philippine Deposit Insurance Corporation (PDIC) and SEC. Existing products and services are within the scope allowed under the Bank's regulatory licenses.

Effects of Existing or Probable Governmental Regulations

The Bank strictly complied with the BSP requirements in terms of reserves, liquidity position, capital adequacy, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti- money laundering provisions and other reportorial requirements**.**

Amount spent on research and development activities

There are no major expenses on research and development activities. Expenses incurred related to these activities are included in the regular business expense of the Bank.

Costs and effects of compliance with environmental laws

Not applicable

Total Number of Employees

The Bank highly values its human resources. It expects each employee to do his share in achieving the Bank's set goals; in return, the Bank has in place policies and programs for the protection and growth of employees.

Below is the breakdown of the manpower complement in 2025 as well as the projected headcount for 2026:

	2025 Actual			**2026 Projected**		
	Officers	**Staff**	**Total**	**Officers**	**Staff**	**Total**
Marketing	669	375	1,044	769	443	1,212
Operations	574	1,068	1,642	614	1,128	1,742
Support	308	215	523	315	224	539
Technical	30	11	41	31	11	42
Grand Total	**1,581**	**1,669**	**3,250**	**1,729**	**1,806**	**3,535**

CBS ended the year 2025 with a total manpower of 3,250 employees. The number increased by 5% from the previous year (2024 manpower: 3,095). Of the total headcount, 49% are officers and 51% are staff. The expansion of APD lending business and branch network, together with their operational support requirements largely contributed to the increase.

As part of the Bank's institutional strengthening initiatives, it has implemented an Employee Recognition Program designed to motivate, recognize, and reward employees across all levels of the organization. The program highlights the contributions of both frontline personnel and those in vital support functions.

The China Bank Savings Employees Union has an existing Collective Bargaining Agreement for the period November 1, 2024 to October 31, 2029.

Risk Management Framework

The Bank is exposed to all business risks that confront all banks in general, such as credit, market, interest rate, liquidity, legal, regulatory and operational risk. The Bank's risk management objective is primarily focused on controlling and mitigating these risks. The gravity of the risks, the magnitude of the financial instruments involved, and the regulatory requirements are the primary considerations to the scope and extent of the risk management processes put in place for the Bank.

The BOD of the Bank has the primary responsibility for the establishment of a risk management system and is ultimately accountable for all risks taken within the Bank. The BOD has established, among others, the following committees to directly handle the Bank's risk management framework, policies and implementation in their respective risk management areas: the Executive Committee (ExeCom), Audit Committee (AudCom), Credit Committee (CreCom), Corporate Governance Committee (CGC) and the Risk Oversight Committee (ROC). All Board committees report regularly to the BOD on their activities.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The BOD has delegated to the ROC the formulation and supervision of the risk management process which includes, among others, determining the appropriate risk mitigating strategies and operating principles, adoption of industry standards, development of risk metrics, monitoring of key risk indicators, and the imposition of risk parameters. The ROC is composed of three members of the BOD, all of whom are independent directors. The Bank's ROC shall be responsible for the oversight and development of all risk management functions within the Bank. The ROC develops appropriate strategies through a written practical risk management plan for managing the major categories of risk events and minimizing the magnitude of expected losses, giving priority to the risk events with the largest expected losses. The Risk Management Division (RMD) supports the ROC in fulfilling its responsibilities, including overseeing the implementation of risk management strategies and specific risk control measures as approved by the Board of Directors (BOD). Additionally, the RMD actively monitors material risks on a daily basis, ensuring that the Bank engages only in risk-taking activities authorized by the ROC. The RMD is headed by the Chief Risk Officer (CRO) who reports the results of risk measurements to the ROC. Apart from RMD, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Bank's AudCom, on the other hand, focuses on checking whether adequate process and operational controls are in place and functioning as designed, as well as monitoring compliance thereto by the business and support units. The role of the AudCom is very critical in the proper corporate governance and effective risk management because of its independence from the Bank's top and middle level management. The AudCom is comprised of independent directors who neither participate in the Bank's daily activities nor take decision-making responsibilities. The AudCom delegates its daily control and monitoring functions to the Internal Audit Department (IAD).

The IAD is likewise independent from the business and support units and reports exclusively to the AudCom. The IAD undertakes its control function through regular process, operational and financial audits which it conducts all throughout the year. The audit covers all processes and controls in the Head Office and the branches. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the AudCom.

The Bank's risk management structure and process that serve as mechanism to identify, assess and manage these risks are further discussed in the Audited Financial Statements (**Exhibit 2**).

Disclosure on Capital Structure and Capital Adequacy

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

Capital Fundamentals
The Bank can only achieve sustainable growth by maintaining strong capital fundamentals. Major business initiatives with the appropriate capital planning were undertaken in coordination with the Parent Bank which also took into consideration constraints and changes in the regulatory environment. This was necessary to ensure that the Bank's commercial objectives are equally aligned with its ability to maintain an adequate capital position. The Board of Directors and management recognize that a balance should be achieved with respect to the Bank's earnings outlook vis-à-vis capital fundamentals that can take advantage of growth opportunities while increasing the Bank's ability to absorb shocks.

Risk-based capital components, including deductions for 2025 and 2024 are shown below:

	2025	2024
Common Equity Tier (CET) 1 Capital:		
Paid-up common stock	**₱12,541,414,900**	₱11,541,414,900
Additional paid-in capital	**467,849,012**	475,349,012
Retained earnings	**5,667,046,219**	3,705,189,170
Undivided profits	**1,904,516,169**	2,099,311,207
Other comprehensive income	**126,152,136**	(14,611,628)
Unsecured DOSRI	**(734,279)**	(3,344,464)

	2025	2024
Deferred tax assets	**(1,789,377,117)**	(1,630,029,559)
Goodwill	**(119,621,347)**	(119,621,347)
Other intangible assets	**(845,024,848)**	(814,947,982)
Other equity investment	**(2,192,208)**	(2,192,208)
Other capital adjustments	**–**	–
Defined benefit pension fund (assets) liabilities	**(43,170,625)**	(36,027,045)
Total CET 1 Capital	**17,906,858,011**	15,200,490,056
Additional Tier 1 Capital	**2,164,200**	2,164,200
Total Tier 1 Capital	**17,909,022,211**	15,202,654,256
Tier 2 Capital:		
Appraisal increment reserve	**66,095,270**	66,095,270
General loan Loss provision	**1,284,921,128**	1,231,309,297
Total Tier 2 Capital	**1,351,016,398**	1,297,404,567
Total Qualifying Capital	**₱19,260,038,609**	₱16,500,058,823

Risk-based capital ratios:

	2025	2024
CET 1 Capital	**₱20,706,978,436**	₱17,806,652,661
Less regulatory adjustments	**(2,800,120,425)**	(2,606,162,605)
Total CET 1 Capital	**17,906,858,011**	15,200,490,056
Additional Tier 1 Capital	**2,164,200**	2,164,200
Total Tier 1 Capital	**17,909,022,211**	15,202,654,256
Tier 2 Capital	**1,351,016,398**	1,297,404,567
Total Qualifying Capital	**19,260,038,609**	16,500,058,823
Risk Weighted Assets	**₱156,045,722,216**	₱137,133,333,594
CET 1 Capital Ratio	**11.48%**	11.08%
Capital Conservation Buffer	**5.48%**	5.08%
Tier 1 Capital Ratio	**11.48%**	11.09%
Total Capital Adequacy Ratio	**12.34%**	12.03%

The regulatory Basel III qualifying capital of the Bank consists of Common Equity Tier 1 capital (going concern capital), which comprises paid-up common stock, additional paid-in capital, deposit for common stock subscription, retained earnings, undivided profits and other comprehensive income less required deductions such as unsecured credit accommodations to DOSRI, deferred tax assets, goodwill, other intangible assets, defined benefit pension fund assets/liabilities, and other equity investment. The other component of regulatory capital is Tier 2 capital (gone-concern capital), which includes general loan loss provision and appraisal increment reserve. A capital conservation buffer of 2.50% comprised of CET 1 capital is likewise imposed in the Basel III capital ratios.

The capital requirements for Credit, Market and Operational Risk are listed below:

	2025	2024
Credit Risk	**₱140,537,003,130**	₱123,678,005,244
Market Risk	**716,882,342**	456,854,621
Operational Risk	**14,791,836,744**	12,998,473,729
Total Capital Requirements	**₱156,045,722,216**	₱137,133,333,594

Credit Risk-Weighted Assets

On-balance sheet exposures, net of specific provisions and not covered by CRM:

	As of December 31, 2025		As of December 31, 2024	
	Exposures, net of Specific Provisions	**Exposures not Covered by CRM**	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	**₱3,424,962,816**	**₱3,424,962,816**	₱3,098,728,743	₱3,098,728,743
Checks and Other Cash Items	**6,146,996**	**6,146,996**	4,665,181	4,665,181
Due from BSP	**6,103,321,262**	**6,103,321,262**	21,391,651,836	21,391,651,836
Due from Other Banks	**3,319,529,810**	**3,319,529,810**	2,276,596,991	2,276,596,991
Available-for-Sale Financial Assets	**29,208,123,885**	**29,208,123,885**	12,143,762,148	12,143,762,148
Held-to-Maturity Financial Assets	**8,533,375,014**	**8,533,375,014**	6,903,919,397	6,903,919,397
Loans and Receivables	**152,519,810,320**	**136,650,252,213**	134,907,153,026	120,946,299,333
Loans and Receivables arising from Repurchase Agreements	**5,601,786,983**	**5,601,786,983**	–	–
Sales Contract Receivables	**1,023,903,618**	**1,023,903,618**	1,027,666,428	1,027,666,428
Real and Other Properties Acquired	**2,275,504,003**	**2,275,504,003**	2,050,605,546	2,050,605,546
Other Assets	**3,636,291,076**	**3,636,291,076**	3,775,482,991	3,775,482,991
Total On-Balance Sheet Assets	**₱215,652,755,783**	**₱199,783,197,676**	₱187,580,232,287	₱173,619,378,594

Credit equivalent amount for off-balance sheet items, broken down by type of exposures, are as follows:

	As of December 31, 2025		As of December 31, 2024	
	Notional Principal	**Credit Equivalent**	Notional Principal	Credit Equivalent
Direct credit substitutes	**₱–**	**₱–**	₱–	₱–
Transaction-related contingencies	**52,823,866**	**26,411,933**	53,675,556	26,837,778
Trade-related contingencies arising from movement of goods	**11,005,859**	**2,201,172**	7,850,444	1,570,089
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	**2,506,378,036**	–	2,276,972,859	–
Total Notional Principal and Credit Equivalent Amount	**₱2,570,207,761**	**₱28,613,105**	₱2,338,498,859	₱28,407,867

There is no credit equivalent amount for counterparty credit risk in the trading books as the Bank has no derivative exposures.

The following credit risk mitigants are used in the December 2025 capital adequacy ratio (CAR) report:

- guarantees by government-owned and controlled corporation (GOCC), which guarantees are counter-guaranteed by the Philippine National Government;
- holdout vs. peso deposit or deposit substitute;
- holdout vs. foreign currency-denominated unit (FCDU) deposit; and
- assignment or pledge of government securities.

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

	As of December 31, 2025		
	On-balance sheet	**Off-balance sheet**	**Total**
Below 100 %	**₱13,240,176,275**	**₱–**	**₱13,240,176,275**
100% and above	**127,268,213,750**	**28,613,105**	**127,296,826,855**
Total	**₱140,508,390,025**	**₱28,613,105**	**₱140,537,003,130**

	As of December 31, 2024		
	On-balance sheet	Off-balance sheet	Total
Below 100 %	₱12,674,922,298	₱–	₱12,674,922,298
100% and above	110,974,675,079	28,407,867	111,003,082,946
Total	₱123,649,597,377	₱28,407,867	₱123,678,005,244

Total credit risk-weighted assets, broken down by type of exposures, are as follows:

	As of December 31, 2025		
	On-balance sheet	**Off-balance sheet**	**Total**
Below 100 %	**₱13,240,176,275**	**₱–**	**₱13,240,176,275**
100% and above	**127,268,213,750**	**28,613,105**	**127,296,826,855**
Covered by CRM	**–**	**–**	**–**
Excess GLLP	**–**	**–**	**–**
Total	**₱140,508,390,025**	**₱28,613,105**	**₱140,537,003,130**

	As of December 31, 2024		
	On-balance sheet	Off-balance sheet	Total
Below 100 %	₱12,674,922,298	₱–	₱12,674,922,298
100% and above	110,974,675,079	28,407,867	111,003,082,946
Covered by CRM	–	–	–
Excess GLLP	–	–	–
Total	₱123,649,597,377	₱28,407,867	₱123,678,005,244

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by Standard & Poor's, Moody's and Fitch, while PhilRatings were used on peso-denominated exposures to corporates.

Market Risk-Weighted Assets

The Standardized Approach is used in the Bank's market risk-weighted assets.

	2025	2024
Interest Rate Exposures		
Specific Risk	**₱–**	₱–
General Market Risk		
PhP	**–**	–
USD	**–**	–
Total Capital Charge	**–**	–
Adjusted Capital Charge	**–**	–
Risk-Weighted Interest Rate Exposures	**–**	–
Risk-Weighted Equity Exposures	**–**	–
Foreign Exchange Exposures		
Total Capital Charge	**55,699,352**	33,284,238
Adjusted Capital Charge	**69,624,191**	41,605,298
Risk-Weighted Foreign Exchange Exposures	**716,882,342**	456,854,621
Risk-Weighted Options	**–**	–
Total Market Risk-Weighted Assets	**₱716,882,342**	₱456,854,621

Operational, Legal, and Other Risks
For operational risk, the exposure of the Bank is profiled using a number of methodologies which also include the analysis of reported losses arising from operations, compliance risk, environment and social risk, and legal risk as part of the internal capital adequacy assessment process (ICAAP) to validate if the computed capital requirement using the Basic Indicator Approach (BIA) is enough to cover the assessed exposure under plausible scenario and worst-case scenario. As of December 31, 2025, the capital allocation for operational risk amounted to ₱1.5 billion which is higher compared to the reported and actual losses in the past 3 years. For the year 2025, the plausible scenario derived from actual reported loss amounted to ₱83.8 million. Meanwhile, stressed or worst-case scenario derived from reported risk events amounted to ₱113.1 million.

Tools such as the risks and controls self-assessment (RCSA), the analysis of historical loss reports and the monitoring of key risk indicators (KRI) and key performance indicators (KPI) further allow risk management to identify high risk areas, loss drivers, and trends which can be acted upon by management to prevent material failures in its processes, people, systems, and resiliency measures against external events. These results are periodically reported to management and cover all aspects of the business from core operating capabilities of the units, all products and services, outstanding legal cases, and even its sales and marketing practices.

For legal risk, the Bank assessed the status of pending legal cases with the objective of identifying those subjects to final resolution in the next twelve months and with high probability for the Bank to lose the legal proceedings.

Operational Risk-Weighted Assets
The Bank’s Operational Risk Weighted Assets under the BIA is ₱14.8 billion and ₱13.0 billion as of December 31, 2025 and 2024, respectively.

Internal measurement of interest rate risk in the banking book
The Bank’s interest rate risk (IRR) originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. Internally, the Earnings-at-Risk (EaR) method is used to determine the effects of adverse interest rate change on the Bank’s interest earnings. The Bank’s interest sensitive assets and liabilities are assumed affected by interest rate movements on its repricing date for floating rates and on its maturity for fixed rates.

Demand and savings deposits, on the other hand, are generally not interest rate sensitive. Provided in the table below are the approximate reduction in annualized interest income of a 100bps adverse change across the PhP and USD yield curves. The loan portfolio growth that was mainly funded by short term time deposits are with yields at around 10% as compared to funding cost of around 4.1%.

Earnings-at-Risk In ₱ millions	**2025**	2024
PhP IRR Exposures	**(₱307)**	(₱249)
USD IRR Exposures	**(6)**	(8)

Item 2. PROPERTIES

CBS whose principal office is located at CBS Building, 314 Sen. Gil J. Puyat Avenue, Makati City, owns several properties situated in various locations in Metro Manila and provinces.

The Bank owns various properties which are used in its banking business and acquires, by way of foreclosure, dacion en pago and other lawful means, various properties to satisfy unpaid obligations due to it and disposes of these properties on a regular basis. Moreover, it leases several properties principally for the use of its expanded distribution network.

a. Bank-Owned Properties

NO	DESCRIPTION	LOCATION
1	Angeles City Branch Land and Building - CBS Branch	Rizal Street, Barangay Lourdes Sur, Angeles City, Pampanga
2	Angeles City Property Land and Building - Warehouse	Asuncion Street cor. Miranda Street Extension Barangay San Nicholas, Angeles City, Pampanga
3	Balibago Sta. Rosa Land and Building - CBS Branch and Cash Center	National Highway cor. R. Lazaga Street, Barangay Balibago, Sta. Rosa City, Laguna
4	Batangas Branch Land and Building - CBS Branch	P. Burgos Street, Poblacion, Batangas City
5	Biñan Branch Land and Building - CBS Branch and Warehouse	National Road, Barangay San Vincente, Biñan City, Laguna
6	Calamba Property - Vacant	No. 5-A-1, Barangay I Poblacion Crossing, Calamba City, Laguna
7	Caloocan Property - Leased to China Bank Branch	Mac Arthur Highway, Barangay 78, Kalookan City
8	CBS Buendia Land and Building - Head Office	314 Sen. Gil Puyat Ave., Barangay Bel Air, Makati City
9	Dau Branch Land and Building - CBS Branch and On Lease	Mac Arthur Highway, Barangay Dau, Mabalacat City, Pampanga
10	España Property - Leased to China Bank Branch	España Boulevard cor. Valencia Street, Sampaloc District, Manila
11	Masantol Branch Land and Building - Vacant	Apalit-Macabebe-Masantol Road, Barangay Poblacion, Pampanga
12	Orani Branch Land and Building - CBS Branch and On Lease	National Highway cor. Torres Bugallon Street, Barangay Balut, Orani, Bataan
13	Orani Branch Land and Building - Vacant	National Road, Barangay Tenejero, Poblacion, Orani, Bataan
14	Urdaneta Property - On Lease	Alexander Street cor. Belmonte Street, Barangay Poblacion, Urdaneta City, Pangasinan
15	VGP Building (Ground, Mezzanine, 2nd, 3rd, 7th and 8th Floor) - CBS Office and Leased to China Bank Office	VGP Center, No. 6772 Ayala Ave., Makati City
16	General Trias – Warehouse	Lots 1 and 2-B Block 11 Delos Reyes Corner Linares St., Gateway Business Park Subd., Brgy. Javalera, Gen. Trias, Cavite

All bank-owned properties are free from any and all liens and encumbrances. There are no restrictions on titles and the Bank does not have any contractual commitments for acquisition of properties.

b. Leased Properties

NO	BRANCH	CONTRACT PERIOD		RENTAL RATE PER MONTH (₱)
		FROM	TO	
1	ACACIA ESTATES	September 15, 2023	September 14, 2028	67,410.00
2	ALABANG HILLS	August 16, 2022	August 15, 2027	129,952.94
3	AMANG RODRIGUEZ - SAVEMORE	November 1, 2025	October 31, 2026	94,500.00
4	AMORANTO AVENUE	October 15, 2021	October 14, 2026	75,000.00
5	ANGONO	June 1, 2023	May 31, 2030	67,138.79
6	ANONAS - SAVEMORE	December 1, 2025	November 30, 2026	71,836.00
7	ANTIPOLO	May 1, 2025	April 30, 2030	151,000.00
8	ARAYAT	November 16, 2023	November 15, 2028	49,350.00
9	BACLARAN	April 5, 2025	April 4, 2026	126,000.00
10	BACOLOD	October 16, 2021	October 15, 2031	253,023.00
11	BACOLOD - EAST	December 1, 2025	November 30, 2030	79,040.00
12	BACOOR - MOLINO	October 1, 2021	September 30, 2026	110,000.00
13	BACOOR - TALABA	February 1, 2017	January 31, 2027	121,550.62
14	BAGUIO - SESSION	June 17, 2021	June 16, 2026	165,844.93
15	BALAGTAS	March 6, 2022	March 5, 2027	36,465.18
16	BALANGA - DM BANZON	October 15, 2022	October 14, 2027	125,209.52
17	BALIBAGO	January 1, 2023	December 31, 2027	134,000.00
18	BALIUAG	September 11, 2019	September 10, 2026	165,375.00
19	BANAWE	October 22, 2023	October 21, 2028	160,000.00
20	BANGKAL	June 21, 2022	June 20, 2027	163,977.05
21	BINONDO - JUAN LUNA	September 16, 2023	September 15, 2033	276,760.00
22	BLUMENTRITT	March 28, 2017	March 27, 2027	133,705.69
23	BONI AVENUE	September 1, 2017	August 31, 2027	80,223.41
24	BUTUAN	May 1, 2021	April 30, 2028	138,494.75
25	CABANATUAN - BAYAN	March 1, 2022	February 28, 2029	117,346.62
26	CABUYAO	October 1, 2023	October 1, 2030	68,000.00
27	CAGAYAN DE ORO	November 1, 2022	October 31, 2032	128,275.45
28	CAGAYAN DE ORO - UPTOWN	October 8, 2025	October 7, 2030	65,400.00
29	CAINTA	October 12, 2022	October 11, 2027	51,940.00
30	CALAMBA	November 1, 2022	October 31, 2027	126,639.04
31	CANDON	December 16, 2025	December 15, 2030	101,625.00
32	CARMONA	September 1, 2023	August 31, 2033	75,000.00
33	CAUAYAN	October 1, 2023	September 30, 2030	85,000.00
34	CAVITE CITY	October 31, 2021	October 30, 2026	55,000.00
35	CEBU - LAHUG	June 1, 2025	May 31, 2028	240,000.00
36	CEBU - MANDAUE	December 1, 2024	November 30, 2029	102,090.00
37	CEBU - MANGO	January 1, 2023	December 31, 2027	418,620.73
38	CEBU MANDAUE - BASAK	August 1, 2023	July 31, 2028	58,635.73
39	COMMONWEALTH AVENUE	April 16, 2023	April 15, 2028	72,366.30
40	CONGRESSIONAL AVENUE	September 1, 2024	August 31, 2029	186,430.00
41	CUBAO	July 1, 2022	June 30, 2029	93,079.71
42	DAGUPAN	November 2, 2020	November 1, 2030	146,600.52
43	DARAGA	June 15, 2021	June 14, 2026	84,000.00
44	DASMARIÑAS	April 1, 2016	March 31, 2026	86,821.88
45	DAVAO	November 1, 2023	October 31, 2028	98,694.02
46	DAVAO - RECTO	August 1, 2023	July 31, 2028	92,610.00
47	DAVAO LANANG	December 1, 2025	November 30, 2030	108,000.00
48	DAVAO TORIL	December 1, 2024	October 31, 2029	70,450.00
49	DEL MONTE	April 1, 2018	March 31, 2028	203,411.25
50	DOLORES	July 1, 2025	June 30, 2028	99,750.00
51	DUMAGUETE	July 1, 2023	June 30, 2033	112,450.00
52	E. RODRIGUEZ SR. - HEMADY	September 1, 2021	August 31, 2028	155,911.52
53	ESPAÑA - SUN MALL	November 1, 2022	October 31, 2027	133,251.75
54	FELIX HUERTAS - JT CENTRALE	January 1, 2024	December 31, 2026	91,589.12
55	FILINVEST CORPORATE CITY	August 1, 2022	July 31, 2027	186,159.38
56	FTI - TAGUIG - HYPERMARKET	July 1, 2025	June 30, 2026	86,904.78
57	G. ARANETA AVENUE	April 1, 2024	March 31, 2029	79,265.00

NO	BRANCH	CONTRACT PERIOD		RENTAL RATE PER MONTH (₱)
		FROM	TO	
58	GENERAL SANTOS	April 1, 2020	March 31, 2027	87,106.23
59	GENERAL TRIAS	April 15, 2022	April 14, 2029	90,960.00
60	GREENHILLS - ORTIGAS AVE.	December 1, 2020	November 30, 2025	111,633.74
61	GREENHILLS - WILSON	October 16, 2022	October 15, 2027	192,536.19
62	GUAGUA	January 1, 2024	December 31, 2028	118,583.39
63	GUIGUINTO-RIS	September 25, 2017	September 24, 2027	36,465.19
64	IBA	November 15, 2025	November 14, 2030	90,000.00
65	ILOILO - IZNART	February 1, 2018	January 31, 2028	182,650.00
66	ILOILO - JARO	June 16, 2023	June 15, 2028	105,490.32
67	IMUS - TANZANG LUMA	November 26, 2020	November 25, 2027	105,000.00
68	KALIBO - CITYMALL	May 1, 2021	April 30, 2031	100,000.00
69	KALOOKAN	August 16, 2025	August 15, 2030	177,345.31
70	KALOOKAN - MABINI	January 1, 2024	December 31, 2030	150,000.00
71	KATIPUNAN AVENUE	March 1, 2023	February 28, 2028	170,000.00
72	KAWIT	October 15, 2023	October 14, 2030	141,676.80
73	LA UNION	September 5, 2025	June 4, 2026	430,006.25
74	LAGRO	September 9, 2023	September 8, 2030	146,200.00
75	LAGUNA - STA. CRUZ	November 8, 2021	November 7, 2026	58,000.00
76	LAOAG CITY	July 1, 2022	June 30, 2029	114,287.58
77	LAS PINAS - ALMANZA UNO	September 1, 2022	August 31, 2027	125,766.42
78	LEGAZPI	March 1, 2018	February 28, 2028	203,280.00
79	LINGAYEN	July 1, 2018	June 30, 2028	150,491.25
80	LIPA - CM RECTO	March 1, 2022	February 28, 2027	187,792.35
81	LOS BAÑOS - CROSSING	January 1, 2024	December 31, 2026	101,926.13
82	LUCENA	September 16, 2023	September 15, 2028	89,342.86
83	MACABEBE	May 16, 2025	May 15, 2030	111,800.00
84	MAKATI - CHINO ROCES	October 1, 2023	September 30, 2028	157,084.00
85	MAKATI - J.P. RIZAL	September 1, 2023	August 31, 2028	163,364.04
86	MAKATI-BAUTISTA	July 1, 2024	June 30, 2027	166,281.26
87	MALABON - FRANCIS MARKET - SAVEMORE	August 1, 2025	July 31, 2026	48,983.04
88	MALOLOS	July 1, 2022	June 30, 2027	84,425.59
89	MALOLOS - CATMON	April 6, 2020	April 5, 2030	85,600.00
90	MANDALUYONG	June 1, 2022	May 31, 2027	161,832.50
91	MANDALUYONG - SHAW BLVD.	December 1, 2023	November 30, 2026	171,627.57
92	MANILA - STA. ANA - SAVEMORE	November 1, 2025	March 31, 2026	65,279.06
93	MARIKINA	May 26, 2020	May 25, 2027	231,525.00
94	MARIKINA - GIL FERNANDO AVENUE	January 1, 2023	December 31, 2027	130,000.00
95	MEYCAUAYAN	November 1, 2023	October 31, 2030	75,190.99
96	MOUNT CARMEL	July 20, 2025	July 19, 2030	155,132.81
97	NAGA	July 16, 2022	July 15, 2027	104,672.90
98	NAVOTAS	December 10, 2022	February 9, 2030	90,000.00
99	NINOY AQUINO AVENUE	June 1, 2022	May 31, 2027	174,212.43
100	NOVALICHES	July 3, 2023	July 2, 2030	120,000.00
101	OLONGAPO	October 1, 2024	September 30, 2029	142,200.00
102	ONGPIN	July 1, 2022	June 30, 2027	167,922.00
103	ORMOC CITY	October 1, 2025	September 30, 2030	120,000.00
104	ORTIGAS CENTER	March 1, 2021	February 28, 2026	142,387.86
105	PADRE FAURA (FORMER UN AVENUE)	August 1, 2025	July 31, 2030	200,000.00
106	PANABO CITY	September 23, 2024	September 22, 2029	102,660.00
107	PARAÑAQUE - BETTER LIVING	October 1, 2023	September 30, 2028	113,299.73
108	PARAÑAQUE - BF HOMES	July 1, 2023	June 30, 2028	88,647.33
109	PARANAQUE - JAKA PLAZA	April 19, 2023	April 18, 2030	109,724.28
110	PARAÑAQUE - LA HUERTA	October 1, 2013	September 30, 2028	132,970.99
111	PARAÑAQUE - MOONWALK	April 17, 2025	April 16, 2026	105,398.52
112	PASAY - LIBERTAD	April 1, 2024	March 31, 2026	118,296.94
113	PASIG - CANIOGAN	June 15, 2023	June 14, 2028	89,339.71
114	PASIG - MUTYA	July 16, 2017	July 15, 2027	119,790.00
115	PASIG - PADRE BURGOS	July 1, 2023	June 30, 2028	123,725.00

NO	BRANCH	CONTRACT PERIOD		RENTAL RATE PER MONTH (₱)
		FROM	TO	
116	PASO DE BLAS	February 1, 2021	January 31, 2026	72,277.62
117	PATEROS	December 1, 2025	November 30, 2030	79,876.13
118	PATEROS - ALMEDA	September 1, 2022	August 31, 2027	103,425.50
119	PEDRO GIL	September 1, 2025	August 31, 2030	133,498.65
120	PLARIDEL	September 1, 2022	August 31, 2033	177,294.65
121	PLAZA - STA. CRUZ (FORMER AVENIDA-SAVEMORE)	April 1, 2016	March 31, 2026	133,100.00
122	PORAC	December 14, 2025	December 13, 2030	65,584.02
123	QUEZON AVENUE	November 1, 2018	October 31, 2028	166,288.91
124	QUEZON AVENUE - PALIGSAHAN	April 16, 2021	April 15, 2026	132,915.61
125	QUIAPO – ECHAGUE	August 1, 2018	July 31, 2028	173,643.75
126	RADA	June 16, 2023	June 15, 2028	158,627.00
127	ROXAS AVE. CAPIZ -CITYMALL	November 14, 2023	November 13, 2028	77,210.69
128	SAN FERNANDO	July 16, 2020	July 15, 2027	179,178.41
129	SAN FERNANDO - BAYAN	April 1, 2025	March 31, 2030	281,165.00
130	SAN ILDEFONSO - SAVEMORE	August 1, 2025	July 31, 2030	129,720.19
131	SAN JOSE DEL MONTE	August 1, 2022	July 31, 2027	107,854.25
132	SAN JUAN	September 1, 2021	August 31, 2026	85,000.00
133	SAN MIGUEL	February 15, 2024	February 14, 2031	84,210.53
134	SAN NARCISO	December 8, 2024	December 7, 2029	52,261.60
135	SAN PABLO - RIZAL AVENUE	April 1, 2022	March 31, 2027	127,948.02
136	SAN PEDRO	February 28, 2022	February 27, 2027	55,000.00
137	SAN RAFAEL	December 13, 2022	December 12, 2027	98,258.12
138	SANTIAGO - VICTORY NORTE	October 15, 2022	October 14, 2027	140,710.05
139	SORSOGON	May 1, 2021	April 30, 2028	145,000.00
140	SOUTH TRIANGLE	September 1, 2018	August 31, 2025	194,536.83
141	STA. ANA	December 1, 2023	November 30, 2028	64,828.46
142	STA. MARIA	December 8, 2022	December 7, 2025	129,360.00
143	STA. MESA	March 16, 2024	March 15, 2029	81,165.13
144	STA. RITA	October 8, 2022	October 7, 2027	52,473.88
145	STA. ROSA	June 17, 2022	June 16, 2027	160,000.00
146	STO. TOMAS	October 26, 2020	October 25, 2025	145,378.86
147	SUBIC	March 1, 2019	February 28, 2029	85,201.20
148	TACLOBAN	September 16, 2024	September 15, 2027	168,750.00
149	TAFT - QUIRINO AVE.	February 1, 2022	January 31, 2029	70,400.00
150	TAGAYTAY - MENDEZ - SAVEMORE	February 1, 2024	January 31, 2029	72,000.00
151	TAGBILARAN	August 8, 2023	August 7, 2028	100,000.00
152	TAGUM - CITYMALL	May 1, 2025	April 30, 2030	76,800.00
153	TALISAY - NEGROS - SAVEMORE	December 1, 2024	November 30, 2029	132,030.00
154	TALISAY CITY - CEBU	October 1, 2024	September 30, 2029	92,625.00
155	TANAUAN CITY	December 1, 2018	November 30, 2028	83,536.54
156	TANDANG SORA	May 16, 2024	May 15, 2029	97,635.54
157	TARLAC - MAC ARTHUR	September 15, 2023	September 14, 2030	102,176.55
158	TAYTAY	October 15, 2023	October 14, 2028	137,806.90
159	TAYUMAN	October 1, 2023	September 30, 2028	127,628.16
160	TIMOG	May 1, 2024	April 30, 2029	153,310.00
161	TUGUEGARAO	August 16, 2022	August 15, 2027	117,387.99
162	TWO E-COM	November 1, 2022	October 31, 2027	178,497.30
163	URDANETA	August 24, 2023	August 23, 2028	91,162.97
164	VALENZUELA - MARULAS	October 20, 2025	October 19, 2030	88,647.33
165	VIGAN	June 5, 2017	June 4, 2027	268,674.91
166	VISAYAS AVENUE	March 2, 2022	March 1, 2027	133,486.37
167	ZAMBOANGA - CITYMALL	September 30, 2021	September 29, 2026	107,936.96

Note: These lease contracts are renewable under certain terms and conditions and include pre-termination clause.

c. Description of Properties the Bank Intends to Acquire/Lease in The Next 12 Months

The Bank has future plans to acquire/lease properties but no description/location of properties yet at this time.

Item 3. LEGAL PROCEEDINGS

There are pending cases filed for and against the Bank arising from incidental, ordinary and routine conduct of the banking business. It is the opinion of the management and legal counsel that there are no material pending legal proceedings to which the Bank is a party or of which any of their property is the subject.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the annual stockholders' meeting on June 19, 2025, there was no other matter submitted to a vote of security holders during the fiscal year covered by this report.

PART II. OPERATIONAL AND FINANCIAL INFORMATION

Item 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

The registrant's equity is not listed in any exchange. There were nine hundred ninety-two (992) shares transferred in 2024 while there were two thousand fourteen (2,014) shares transferred in 2025.

PERIOD	NO. OF SHARES TRANSFERRED	PRICE PER SHARE	
		High	Low
January 1, 2024 to December 31, 2025	**3,006***		

*Note:
- a. *Nine hundred ninety-one (991) shares of Maggamby Shares, Inc. were transferred to Maggamby Holdings, Inc. on December 12, 2024.*
- b. *One (1) Shareholding of Dir. Jose L. Osmeña, Jr. was transferred to the newly appointed Director, Mr. Aloysius C. Alday, Jr. on December 19, 2024.*
- c. *One hundred eighty-three (183) shares of Antonio C. Cabrera were transferred to Jan Nicolas V. Cabrera on June 20, 2025.*
- d. *One thousand eight hundred thirty-one (1,831) shares of Consolacion D. Larin were transferred to various parties. Two hundred sixty-two (262) shares were each received by Ma. Athena L. Antonio, George O. Larin, Helena L. Gavura and Edwina O. Larin. While two hundred sixty-one were each received by Rouena L. Rosal, Monina L. Garcia and Edison O. Larin on December 11, 2025.*

2. Holders

The Bank's authorized common shares are 134 million (with ₱100.00 par value), while its authorized preferred shares are 6 million (with ₱100.00 par value) in 2025 and 2024. There are approximately 1,434 stockholders of the 125,414,149 subscribed common shares as of December 31, 2025. The top 20 common shareholders as of December 31, 2025 are as follows:

NO	NAME OF STOCKHOLDER	NUMBER OF SHARES	% OF HOLDINGS
1.	China Banking Corporation	124,995,882	99.67%
2.	Marinduque Mining and Industrial Corp.	46,002	0.04%
3.	Bogo Medellin Milling Co., Inc.	33,521	0.03%
4.	Reyes, Rodrigo C.	31,205	0.02%
5.	Estate of Gil J. Puyat	13,729	0.01%
6.	Development Bank of the Philippines	8,418	0.01%
7.	Jison, Espinela A.	8,248	0.01%
8.	Cruz, Manuel C.	6,313	0.01%
9.	Puyat, Patria Gil VDA. DE	5,350	0.00%
10.	Newsal Enterprise	5,036	0.00%
11.	Pryce Plans, Inc.	4,984	0.00%
12.	Del Rosario, Pedro R.	4,938	0.00%
13.	Gocolay, Antonio K.	4,587	0.00%
14.	Magsaysay, Cecilia Hernaez	4,284	0.00%
15.	Hernaez, Celina R.	4,283	0.00%
16.	Ponce, Teofilo L.	3,852	0.00%
17.	Estate of Bienvenido P. Buan	3,789	0.00%

NO	NAME OF STOCKHOLDER	NUMBER OF SHARES	% OF HOLDINGS
18.	Heirs of Florencio and Rizalina Buan	3,789	0.00%
19.	Reyes, Edmundo A.	3,789	0.00%
20	Reyes, Felipe Delos, and OR Reyes, Rose M. R. De Los Reyes	3,670	0.00%

3. Dividends

There were no dividends declared in 2025 and 2024.

4. Recent Sales of Unregistered Securities or Exempt Securities

There have been no unregistered securities sold by the Bank for the past three (3) years. The Bank issued new shares from its authorized but unissued shares. These securities distributions were exempt from the registration statement requirement under the Securities Regulation Code.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

1. Plan of Operation

Anchored in China Bank's vision to remain a bank of choice, China Bank Savings ("CBS" or the "Bank") aims to strengthen profitability, defend market share, and expand its consumer and SME banking businesses. The Bank will drive product innovation, cross-selling, and operational efficiencies while delivering seamless and secure banking experiences through its branch network, branch-lite units, and digital platforms.

Amid elevated interest rates and inflationary pressures, CBS will support SME growth in target industries and broaden access to APD, housing, auto, and personal loans. Maintaining sound asset quality remains a priority, as the Bank balances growth with prudent risk management.

CBS will leverage its extensive distribution network, digital capabilities, and strong balance sheet to capture growth opportunities, improve operating efficiency, and sustain profitability. Investments in secure, scalable, and data-driven platforms will enhance decision-making, streamline operations, and elevate customer experience.

Key priorities for the next twelve months include:

- Expanding higher-yielding loans, particularly APD (teachers'), SME loans and consumer loans (housing, auto, personal, handy salary);
- Growing CASA deposits through broad market coverage and strong client engagement;
- Reducing NPAs, including NPLs and ROPA, through active remediation and prudent balance sheet management;
- Increasing non-interest income from fee-based services, digital banking, CMS, bancassurance, and asset recovery;
- Improving operational efficiency via organizational refinement, process improvements, and automation.

CBS will expand its APD presence by extending the geographic reach of sales offices and strengthening workforce capabilities. CASA growth will be supported by CMS, off-site ATMs, payroll services, and strategic branch expansion or relocation.

The Bank will continue to enhance alternative and electronic banking channels, including mobile and internet banking, to support digital adoption and operational resilience. Asset quality will be safeguarded through proactive NPA reduction and enhanced customer engagement initiatives.

By scaling higher-yielding loans, accelerating digital transformation, strengthening deposits, and optimizing its distribution network, CBS is positioned to achieve sustainable profitability while delivering accessible, secure, and reliable financial services to Filipino communities and businesses.

2. Management's Discussion and Analysis

a. Analysis of Statements of Condition

As of December 31, 2025 and 2024

CBS delivered solid balance sheet growth in 2025, with total assets rising to ₱217.62 billion, up 15% from ₱189.12 billion in 2024. This performance was underpinned by the sustained expansion of the Bank's loan portfolio and a deliberate increase in investment securities at fair value through other comprehensive income (FVOCI), reflecting management's continued focus on both growth and portfolio optimization.

Cash and cash equivalents closed the year at ₱18.47 billion, lower by 32% compared to the previous year. This reduction reflects a purposeful redeployment of liquidity into higher-yielding assets. The Bank accelerated its investments in FVOCI securities while continuing to expand its consumer lending portfolio, allowing it to enhance returns without compromising asset quality. Lower placements with the Bangko Sentral ng Pilipinas (BSP), following elevated term deposit levels in 2024, also contributed to the decline.

Investment securities grew significantly to ₱37.53 billion, highlighting the Bank's strategic shift toward diversification and yield enhancement. Financial assets at FVOCI more than doubled to ₱29.06 billion, as the Bank capitalized on market opportunities to strengthen recurring income streams. Meanwhile, investment securities at amortized cost increased by 23% to ₱8.42 billion, reflecting continued investments in government securities and other high-quality debt instruments that provide stability to the portfolio. Financial assets at fair value through profit or loss declined to ₱50.8 million, consistent with the Bank's preference for less volatile income sources.

Lending activities remained a key growth driver, with gross loans expanding to ₱155.1 billion, a 13% increase year-on-year. Consumer loans continued to anchor the portfolio, rising by 13% to ₱135.7 billion, supported by sustained demand and the Bank's strong retail franchise. Corporate and commercial loans grew at a faster pace of 19% to ₱17.8 billion, reflecting a gradual broadening of the Bank's lending base. As a result, net loans reached ₱151.8 billion, up 14% from the prior year.

Non-current assets held for sale increased to ₱752.2 million due to additional repossessions, while investment properties rose to ₱1.95 billion, largely from newly foreclosed assets. Property and equipment declined slightly to ₱1.97 billion as depreciation exceeded new capital expenditures, in line with disciplined cost management. Deferred tax assets grew to ₱1.90 billion, reflecting higher temporary differences recognized during the year.

On the funding side, the Bank continued to strengthen its deposit base, with total deposits increasing by 15% to ₱192.2 billion. Growth was driven primarily by time deposits, which reached ₱139.5 billion, as the Bank prioritized stability and funding reliability in an increasingly competitive environment for low-cost deposits. Low-cost funds accounted for 27% of total deposits, providing a balanced funding mix. Manager's checks and accrued liabilities both registered modest increases, consistent with the Bank's expanding operations.

The Bank's capital position also improved during the year. Total equity rose to ₱21.3 billion, up 19% from ₱17.8 billion in 2024, supported by stronger earnings and a capital infusion completed during the year. Surplus increased to ₱9.67 billion, while net unrealized gains on FVOCI financial assets amounted to ₱6.3 million, reversing the previous year's unrealized losses. Remeasurement losses on retirement benefits of ₱49.0 million were recognized following updates in actuarial assumptions.

Overall, CBS maintained a sound capital position, with a Capital Adequacy Ratio (CAR) of 12.34%, comfortably above the regulatory minimum. This provides a solid foundation to support the Bank's continued growth and strategic initiatives in the years ahead.

As of December 31, 2024 and 2023

CBS' total assets was recorded at ₱189 billion in 2024, 20% higher year-on-year as net loans surged during the year, bannered by the double-digit growth in APD loan and Consumer loan portfolios.

Cash and cash equivalents rose by 36% in 2024 driven mainly by the 89% increase in due from Bangko Sentral ng Pilipinas to ₱21.39 billion and the 6% rise in due from other banks to ₱2.34 billion. This is largely due to the volume increase in the term deposit facility placement with BSP.

Total investment securities amounted to ₱18.96 billion. Financial assets at fair value through profit or loss increased by 97% to ₱100.4 million. Meanwhile, financial assets at fair value through other comprehensive income (FVOCI) decreased by 3% to ₱12.03 billion and investment securities at amortized cost posted an increase of 9% to ₱6.83 billion.

Gross loans grew by 21% to ₱137 billion. With the Bank's recalibrated focus on the retail market segment, the APD loan portfolio expanded by 29% on a year-on-year basis, followed by the 22% annual increase in auto loans and 15% sustained annual growth in retail housing loans. All these drove up the net loans by 21% to ₱133.7 billion from the previous year's ₱110.3 billion.

Non-current assets held for sale increased to ₱567.4 million due to the repossessions during the year. Property and equipment increased by 7% to ₱2.1 billion driven by the business expansion activities. Meanwhile, investment properties decreased by 4% to ₱

1.88 billion due to significant ROPA sales made during the year. Deferred tax assets went up by 16% to ₱1.7 billion.

On the liabilities side, deposits increased by 21% to ₱166.8 billion, driven by the 29% build-up of time deposits to ₱117.1 billion which mainly supported the consistently growing demand for and volume of both the APD and consumer loans. Low-cost funds accounted for 30% of total deposits. The Bank continued to focus on sourcing retail and cheaper funds. However, the high-interest rate environment and tough competition adversely affected the ability of most thrift banks to generate low-cost funds. Manager's checks decreased to ₱203.7 million because of settled outstanding checks. Accrued interest and other expenses increased 21% to ₱1.2 billion, with the setup of expense accruals.

Total equity reached ₱17.8 billion, 14% higher than last year's ₱15.6 billion. Surplus grew by 39% largely attributed to the improved operations of the Bank. Net unrealized losses on financial assets at FVOCI amounted to ₱93.5 million in view of mark-to-market revaluation of the Bank's FVOCI securities. Remeasurement gains on defined benefit asset was higher at ₱31.2 million due to changes in actuarial assumptions.

The Bank's total Capital Adequacy Ratio (CAR) was computed at 12.03%, which is above the regulatory minimum requirement.

b. Discussion of Results of Operations

For the years ended December 31, 2025 and 2024

CBS delivered a net income of ₱2.41 billion in 2025, representing an 11% increase from ₱2.17 billion in 2024. This performance reflects stronger operating income, driven by sustained loan growth and higher yields on earning assets. Return on equity improved to 12.31%, supported by higher net interest income and stable asset quality.

Total interest income grew by 19% to ₱17.28 billion, fueled by the continued expansion of earning assets. Interest income from loans and receivables increased by 20% to ₱14.99 billion from ₱12.53 billion, underpinned by solid growth across both consumer and commercial lending segments. Meanwhile, interest income from trading and investment securities rose to ₱1.54 billion, benefiting from a significant increase in investments measured at FVOCI and amortized cost. Interest income from due from BSP and other banks, interbank loans receivable, and securities purchased under resale agreements reached ₱749.96 million, higher year-on-year due to increased placements in short-term earning assets.

Total interest expense rose by 17% to ₱7.39 billion, reflecting the funding requirements of the Bank's expanding loan portfolio, which led to a higher volume of time deposits. Interest expense on lease liabilities totaled ₱51.1 million, significantly lower than in 2024.

Non-interest income increased by 3% to ₱1.10 billion. Service charges, fees, and commissions amounted to ₱423.9 million. Gains on asset exchanges rose to ₱310.4 million, supported by foreclosure and sale activities during the year. Trading and securities gains improved to ₱24.9 million, while income from property rentals remained steady at ₱56.2 million. Miscellaneous income also increased to ₱283.9 million, driven by higher recoveries and other operating income streams.

In line with prudent risk management and continued loan growth, CBS recognized provisions for impairment and credit losses amounting to ₱1.03 billion in 2025, up from ₱773.2 million in 2024. Despite this increase, the Bank maintained a stable non-performing loan ratio of 2.86%.

Operating expenses (excluding provisions for impairment and credit losses) increased by 19% to ₱7.15 billion, consistent with the Bank's ongoing expansion. Compensation and fringe benefits rose to ₱2.17 billion, primarily due to the growth of the APD lending business and branch network. Depreciation and amortization increased to ₱605.4 million, reflecting continued investments in technology and system upgrades. Taxes and licenses reached ₱843.2 million, in line with higher revenue volumes. Security, clerical, messengerial, and janitorial expenses increased to ₱469.3 million, corresponding with the Bank's broader operational footprint. Documentary stamp taxes rose to ₱883.5 million, driven by increased lending and deposit activities. Insurance expenses climbed to ₱499.6 million, consistent with the expansion of the insured deposit base and loan portfolio. Other operating expenses remained within manageable levels despite ongoing investments in branch expansion, systems enhancement, and customer acquisition initiatives.

For the years ended December 31, 2024 and 2023

CBS achieved a record net income of ₱2.17 billion in 2024. This represents a 19% increase on a year-on-year basis. This translated a return on equity of 12.96% due to the Bank's robust operating income, effective cost management, and improved asset quality.

Total interest income grew by 23% to ₱14.5 billion due to the continuous build-up in earning assets. Interest income from loans and receivables was up 22% to ₱12.5 billion from ₱10.3 billion on the back of the significant year-on-year loan portfolio expansion. Interest income from trading and investment securities recorded a 1.7x growth from the build-up in securities holdings. Meanwhile, interest income from due from BSP and other banks, interbank loans receivable, and securities purchased under resale agreements decreased by 33% to ₱651.5 million due to the deployment of funds to loans and investment securities.

Total interest expense amounted to ₱6.3 billion, up by ₱1.7 billion or a 37% increase from last year, as the increased pressure to fund its rapidly growing loan portfolio inevitably led the Bank to take on more time deposits. Interest expense on lease liabilities was up 18%.

Total non-interest income declined by 3% to ₱1.07 billion as service charges, fees, and commissions decreased by 5% to ₱433.7 million and gain on asset exchange decreased by 23% to ₱292.6 million.

In line with the Bank's thrust to further strengthen its balance sheet, the Bank sets aside a provision for impairment and credit losses. In 2024, total provision was ₱773.2 million, lower by about ₱242 million against the previous year. This is due to the Bank's improved NPL ratio of 2.87% versus the 3.35% of the prior year.

Operating expenses (excluding provision for impairment and credit losses) increased by 18% to ₱6 billion mainly from higher revenue-related costs due to business growth and higher core operating expenses due to the continuous expansion efforts by the Bank. Compensation and fringe benefits went up by 16% to ₱1.8 billion primarily due to the expansion of the Bank's APD lending business and branch network. Depreciation and amortization increased by 12% to ₱548.8 million. Taxes and licenses increased by 12% to ₱713.2 million mainly from higher revenue- and volume-related taxes arising from business growth. Security, clerical, messengerial, and janitorial expenses went up by 14% to ₱374.7 million. Documentary stamp taxes rose by 36% to ₱730.7 million with the ramp-up in lending and deposit-taking activities. Insurance, which includes PDIC premium payments, grew by 29% or ₱100.4 million with the annual expansion in deposits. Other cost items were kept at a manageable single-digit growth, notwithstanding the continued investment in branch network expansion, technology, system upgrades, and customer acquisition initiatives.

c. Key Performance Indicators

Definition of Ratios

<u>Capitalization – BSP prescribed formula</u>

Total CAR	-	$\frac{\text{Total Qualifying Capital}}{\text{Total Risk Weighted Assets}}$
CET 1/Tier 1 Ratio	-	$\frac{\text{CET 1 / Tier 1 Capital}}{\text{Total Risk Weighted Assets}}$

<u>Asset Quality</u>

Gross Non-Performing Loans (NPL) Ratio	-	$\frac{\text{Gross Non-Performing Loans}}{\text{Gross Loans and Receivables}}$
NPL Cover	-	$\frac{\text{Total Allowance for Credit Losses on Loans and Receivables}}{\text{Gross Non-Performing Loans}}$

<u>Liquidity</u>

Liquid Assets to Total Assets	-	$\frac{\text{Total Liquid Assets}}{\text{Total Assets}}$
Loans (net) to Deposit Ratio	-	$\frac{\text{Loans and Receivables, net of Allowance}}{\text{Deposit Liabilities}}$

<u>Solvency</u>

Debt to Equity Ratio	-	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$
Asset to Equity Ratio	-	$\frac{\text{Total Assets}}{\text{Total Equity}}$

Profitability

Return on Equity (ROE)	-	$\frac{\text{Net Income after Tax}}{\text{Average Total Equity}}$
Return on Assets (ROA)	-	$\frac{\text{Net Income after Tax}}{\text{Average Total Assets}}$
Cost-to-Income Ratio	-	$\frac{\text{Total Operating Expenses excluding Provision for Impairment and Credit Losses}}{\text{Total Operating Income}}$

	2025	2024	2023
Capitalization Ratio			
Total CAR	**12.34%**	12.03%	12.59%
CET 1 Capital Ratio	**11.48%**	11.08%	11.65%
Tier 1 Capital Ratio	**11.48%**	11.09%	11.65%
Asset Quality			
Gross NPL Ratio	**2.86%**	2.87%	3.35%
NPL Cover	**72.18%**	81.84%	82.95%
Liquidity			
Liquid Assets to Total Assets	**21.86%**	20.76%	20.62%
Loans (net) to Deposit Ratio	**78.97%**	80.15%	80.14%
Solvency			
Debt to Equity Ratio	**922.61%**	960.26%	906.05%
Asset to Equity Ratio	**1,022.61%**	1,060.26%	1,006.05%
Profitability			
ROE	**12.31%**	12.96%	12.84%
ROA	**1.18%**	1.25%	1.30%
Cost-to-Income Ratio	**65.11%**	65.17%	61.63%

Capital Adequacy

As of December 31, 2025 and December 31, 2024
CBS' CET1, Tier 1 ratio, and total CAR were computed at 11.48%, 11.48%, and 12.34%, respectively. These are higher than the previous year's figures of 11.08%, 11.09%, and 12.03%, respectively. The increase is attributable to the ₱1 billion capital infusion from the parent bank in July 2025 and the ₱2.41 billion net income generated during the year. The Bank's capital is largely composed of CET1/Tier 1 (core) capital.

As of December 31, 2024 and December 31, 2023
CBS' CET1, Tier 1 ratio, and total CAR ratios stood at 11.08%, 11.09%, and 12.03%, respectively, as of December 31, 2024; and 11.65%, 11.65%, and 12.59%, respectively, as of December 31, 2023; all well above the minimum regulatory requirements.

Asset Quality

As of December 31, 2025 and December 31, 2024
CBS maintained stable asset quality, with a non-performing loan (NPL) ratio of 2.86%, slightly improved from 2.87% in the previous year, as both gross loans and NPLs expanded at a comparable pace. The NPL coverage ratio remained at an adequate level of 72.18%, although lower than the 81.84% recorded in December 2024. The decline was primarily due to write-offs and account charge-offs undertaken during the year as part of the Bank's ongoing portfolio management initiatives.

As of December 31, 2024 and December 31, 2023
Asset quality remained healthy amid the loans' year-on-year expansion. Gross NPL ratio further improved to 2.87% as of end-2024 from 3.35% as of end-2023 due to gross loans expansion and decrease in NPLs. NPL cover was registered at 81.84% as of December 2024 and 82.95% as of December 2023.

Liquidity

As of December 31, 2025 and December 31, 2024
The Bank's liquidity position was recorded at 21.86%, higher than 20.76% as of end-2024 due to the build-up in liquid assets.

As of December 31, 2024 and December 31, 2023
The Bank's liquidity ratio was slightly higher at 20.76% as of end-2024 compared to 20.62% as of end-2023.

Solvency Ratios

As of December 31, 2025 and December 31, 2024
Debt-to-equity and asset-to-equity ratios as of end-2025 were recorded 9.2x and 10.2x respectively, slightly lower versus 9.6x and 10.6x, respectively, as of end-2024.

As of December 31, 2024 and December 31, 2023
Debt-to-equity and asset-to-equity ratios as of end-2024 were recorded at 9.6x and 10.6x, respectively, slightly higher versus 9.1x and 10.1x, respectively, as of end-2023.

Profitability

For the year ended December 31, 2025 and December 31, 2024
CBS delivered a net income of ₱2.41 billion in 2025, representing an 11% increase year-on-year. Despite stronger earnings, return metrics moderated slightly, with return on assets (ROA) at 1.18% and return on equity (ROE) at 12.31%. This was mainly attributable to the ₱1.0 billion capital infusion from the parent bank in July 2025, which expanded the Bank's capital base. Meanwhile, the cost-to-income ratio remained broadly stable at 65.11%, compared to 65.17% in the previous year, reflecting the Bank's continued expansion alongside intensified funding generation and revenue growth initiatives.

For the year ended December 31, 2024 and December 31, 2023
Full-year 2024 net income of ₱2.17 billion translated to an ROE of 12.96% and a ROA of 1.25%. Cost-to-income ratio increased to 65.17% in 2024 from 61.63% in 2023 as the

Bank continued to invest heavily in the needed improvements to provide the best service to customers.

Key Variables and Other Qualitative and Quantitative Factors

a. Liquidity

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

With the Bank's current capitalization, current liquidity position, strong deposit growth trend, continuing development of retail and corporate accounts, and prudent liquidity management, CBS does not anticipate encountering any cash flow or liquidity problems in the next 12 months. It remains confident of its ability to meet its obligations and is committed to providing the necessary funding to support the projected loan growth, investment activities and expenditures for 2025.

b. Events that will Trigger Direct or Contingent Financial Obligation

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are part of its lending and related businesses but due to their nature, may not be reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

Also, several suits and claims, in behalf or against the Bank in relation to its operations, are pending before the courts and quasi-judicial bodies. In the opinion of management, these suits and claims, if decided adversely, will not involve an amount having a material effect on the financial statements.

c. Material Off-Balance Sheet Transactions, Arrangements and Obligations

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

	2025	2024
Committed credit lines	**₱2,510,123,201**	₱2,278,812,983
Standby domestic letters of credit	**52,823,866**	53,675,556
Late deposits/payments received	**4,910,787**	3,661,569
Outward bills for collection	**2,151,409**	2,116,827
Others	**198,497**	231,924
	₱2,570,207,760	₱2,338,498,859

None of these off-balance sheet transactions, arising in the ordinary course of business, either individually or in the aggregate, are expected to have a material adverse effect on the Bank's financial condition.

c. Material Commitments for Capital Expenditures

The Bank's capital expenditures in 2025 included expenses for renovation and relocation of existing branches and lending centers, establishment of additional branches, ATMs, new sales offices, and upgrade of bank premises including infrastructure, furniture, fixtures and equipment, IT-related activities on systems and licenses. For 2026, the Bank plans to continue opening a number of brick-and-mortar branches and ATMs and relocate some branches, existing lending centers and branch-lite units among others. Capital expenditures will be sourced from the Bank's capital and operations.

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

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

e. Known Trends, Events or Uncertainties or Seasonal Aspects

The financial statements of the Bank have been prepared in compliance with PFRS.

Item 7. FINANCIAL STATEMENTS

Please refer to the attached **Exhibit 2** for the Audited Financial Statements as of and for the years ended December 31, 2025 and 2024.

Independent Public Accountant

SyCip, Gorres, Velayo, & Co. (SGV & Co.), independent certified public accountants, audited the Bank's financial statements without qualification and in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of its examination, in its report to the stockholders and Board of Directors.

The following table sets out the aggregate fees billed for each of the years ended December 31, 2025 and 2024 for professional services rendered by SGV & Co. for the audit of the Bank's annual financial statements.

	2025	2024
Audit and Audit-Related Fees:		
▪ Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	**₱3,625,280**	₱3,245,880

The Bank did not engage the services of SGV & Co. for a non-audit related work in 2025 and 2024.

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

Audit Committee's Approval Policies and Procedures for Above Services

As China Bank's subsidiary, the Bank adopted the Parent Bank's policies and procedures on audit engagement contract for external auditors. The same was discussed and approved by the Audit Committee. Included in the duties and responsibilities of the Audit Committee as provided for in the Audit Committee Charter are to recommend to the Board of Directors the appointment, re-appointment and dismissal of external auditors; to review and evaluate the external auditors' qualifications, performance, independence, and objectivity; and to review the external auditors' audit plan and scope among others.

The following are the members of Bank's Audit Committee:

Chairman	Claire Ann T. Yap, *Independent Director*
Vice-Chairman	Genaro V. Lapez, *Independent Director*
Member	Antonio S. Espedido Jr., *Independent Director*

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The financial statements of the Bank for the years ended December 31, 2025 and 2024 have been audited by SGV & Co. in accordance with Philippine Financial Reporting Standards. There were no changes in and disagreements with accountants on accounting and financial disclosures.

PART III. CONTROL AND COMPENSATION INFORMATION

Item 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

1. The Members of the Board of Directors *(as of December 31, 2025)*

The Board of Directors is composed of distinguished members with extensive background in banking and business. The members of the Board hold the office for the remainder of the term of their successors and, with prior approval of the MB, concurrently with their position/s in the Parent Bank are as follows:

Ricardo R. Chua*, 74, Filipino, has been the Chairman of the Board of CBSI since 2007. He has been the advisor to the Board of CBC since November 1, 2017. He held several key positions with CBC, including Director from 2008 up to October 2017, President and Chief Executive Officer from September 2014 up to October 2017, and Chief Operating Officer from 2012 to 2014. He currently sits in the boards of other CBC subsidiaries: Chairman of China Bank Capital Corporation (CBCC) and Director of CBC Properties and Computer Center, Inc. (CBC-PCCI) and in other companies not listed in the PSE - CAVACON Corporation, and Sun & Earth Corporation, among others. A Certified Public Accountant, Mr. Chua earned his Bachelor of Science degree in Business Administration, Major in Accounting, cum laude, from the University of the East, and finished his Master's degree in Business Management (MBM) from the Asian Institute of Management. He has had extensive training in banking operations and corporate directorship, and has attended Anti-Money Laundering (AML), and corporate governance seminars, among others.

Nancy D. Yang, 86, Filipino, is the Vice Chairperson of the Board and is the Vice Chairperson the Executive Committee. She held the position of Senior Vice President and the Head of CBC Retail Banking Business from 1995 to 2016. She also holds various positions in the following institutions: Val Gardena Development Corporation, Hamersley Development Corporation, GDSK Development Corporation, Pacifica Royale Properties, Makati Curb Holdings Corporation, Great Expectation Holdings, Inc., The Big D Holdings Corporation, Richesse Development Corporation, and Azureblue Properties, Inc. Mrs. Yang is a degree holder of Bachelor of Liberal Arts Major in Home Economics from the Philippine Women’s University and Human Development and Child Psychology from Merrill Palmer Institute in Detroit, Michigan, USA. She attended the Allen Management Program in 1990, BAI Retail Delivery Conference in Phoenix, Arizona, USA in 1994, Environmental Risk Management Program for Bankers conducted by the Bank of America in 1997, BAI Retail Delivery Conference in Miami Beach, Florida in 1999, BAI Retail Delivery Conference in Orlando, Florida in 2008, and seminars on AML and corporate governance.

James Christian T. Dee[1], 52, Filipino, is the President of the Bank. The Bangko Sentral ng Pilipinas (BSP) approved his secondment to CBSI on November 19, 2012. Prior to his election as Director and President of CBSI, he was the Asset-Liability Management Head of the Treasury Group of China Bank Corporation since 2009. He was also the Treasurer and Head of Treasury Group of CBSI from 2012 to April 2021. He is a member of CBSI Board-level committees, namely: Vice Chairman of the Retirement Committee and Remuneration Committee, and member of the Executive Committee. Mr. Dee was elected as Director of Manulife China Bank Life Assurance Corporation in 2023. In 2024, he was inducted as a Board Trustee of the Chamber of Thrift Banks. In the past, Mr. Dee held several key positions at the Trust Group of China Bank and Citibank N.A. Philippines. Mr. Dee is a degree holder of

Bachelor of Science in Mechanical Engineering from the University of the Philippines and has a Master's degree in Business Management from the AIM. He trained under the Regional Treasury Certifications at Citigroup, N.A., Treasury Certification Program at Ateneo-BAP, and ICAAP Risk Models Validation at SGV. He likewise graduated with distinction on the one (1) year course on Trust Operation from Trust Institute Foundation of the Philippines. He has also attended seminars on AML and corporate governance.

Romeo D. Uyan, Jr.*, 63, Filipino, is a member of the Board of CBSI and a Director and the President of CBC. He is the Chairman of the Executive Committee of CBSI. He does not hold any directorship position in any other Philippine Stock Exchange (PSE)-listed company apart from CBC. He also serves in the boards of CBC subsidiaries China Bank Capital Corporation (CBCC) and China Bank Securities Corporation (CBSC). He also served as Chairman of the Board at Resurgent Capital Inc. (FISTC-AMC). He is actively involved in the boards of Banker’s Association of the Philippines and Philippine Payments Management Inc. An investment banker with over two decades of trading, financing, and structuring experience in the Aisa Pacific Region, Mr. Uyan was previously the President of China Bank Capital and the Managing Director of UBS AG-Singapore Branch and Barclays Capital. He graduated cum laude from the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. He also graduated with Distinction from the Johnson Graduate School of Management in Cornell University, New York, with a Master's degree in Business Administration (MBA). Mr. Uyan has had extensive training in banking, securities and future products, fraud awareness, Foreign Account Tax Compliance Act, environmental and social risk, AML, and corporate governance.

Patrick D. Cheng*, 63, Filipino, is an Executive Vice President and Chief Finance Officer of CBC. He is likewise the Chairman of the Board of China Bank Insurance Brokers, Inc. (CIBI), and Director of Manulife China Bank Life Assurance Corporation (MCBL). He likewise serves on the boards of Manila Overseas Commercial Inc., and SR Holdings Corporation. In the past, he held several key positions at the Philippine Bank of Communications, HSBC Savings Bank (Philippines), HSBC (Philippine Branch), Citicenter Condominium Corp., and Citibank N.A. (Philippine Branch). He was the President and Chief Executive Officer of HSBC Savings Bank (Philippines) from 2008 to 2013 and was also a two-term President of the Chamber of Thrift Banks from 2011 to 2012. A Certified Public Accountant placing 7th in the National Exams, Mr. Cheng graduated *magna cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy. He earned his Master's degree in Management, with Distinction, from the Hult International Business School in Cambridge, Massachusetts, and finished the Trust Operations and Investment Management course, also with Distinction, from the Trust Institute of the Philippines. In 2010, he received the Distinguished Alumnus Award from the Virata School of Business of the University of the Philippines-Diliman. He has had extensive training in corporate governance, AML, asset liability management, operational risk, and information security.

Herbert T. Sy, Jr., 39, Filipino, was elected as a Director on June 17, 2021, and is a member of the Bank’s Executive Committee. Mr. Sy presently works for SM Retail, Inc., under the SM Group of Companies. For the SM Markets Merchandising Group, he has been serving as Executive Director since 2009. He handles product selection for the SM Markets stores, which include SM Hypermarket and Savemore. Mr. Sy manages international house brand procurement, store orders, and negotiates with suppliers. For SM Markets Marketing Group, he oversees in-store promotions and marketing. For SM Markets Operations Group, he manages overall store operations and expenses and contributes to store efficiencies with inventory. For the SM Markets Online Group, he handles online retail operations, development and expansion, as well as negotiations with third party online retailers. He graduated with a degree in Bachelor of Science in Marketing Management from De La Salle University in Manila in 2009. He has had training in AML and corporate governance.

Aloysius C. Alday, Jr.*, 56, Filipino. He is the Executive Vice President and Head of the Consumer Banking Segment of CBC. Mr. Alday is a member of the Executive Committee. Prior to his current position at the parent bank, he was the Group Head of Cards Business and Customer Contact Center, which was reorganized into the Consumer Banking Segment to oversee Consumer Banking, Factoring Multi-Purpose Loans, Cash Management and Remittance Business in addition to the Cards Business and Customer Contact Center. He has over 25 years of experience in the banking industry in the Philippines and abroad, having worked at HSBC, Metrobank Card Corporation, and Metrobank in the fields of cards and payments, retail banking, consumer and corporate credit risk, and bancassurance. Mr. Alday holds a Bachelor of Science degree in Business Administration from the University of the Philippines, and has had extensive training on AML, data privacy, and corporate governance.

Philip S.L. Tsai*, 75, Filipino, was elected as Independent Director of CBSI and CBC in November 2018. He likewise serves as an Independent Director of China Bank subsidiaries China Bank Capital Corporation (CBCC) and China Bank Insurance Brokers, Inc. (CIBI). Mr. Tsai is a member of the following CBSI Board-level committees: Chairman of the Risk Oversight Committee, Vice Chairman of the Related Party Transaction Committee and member of the Corporate Governance Committee, Nomination Committee, and Remuneration Committee. He does not hold any position in other PSE-listed companies aside from the China Bank Group. He has more than 30 years of banking experience. He previously held positions in First CBC Capital (Asia) Limited, Midwest Medical Management, Fortune Paper Inc., Chemical Bank New York, Consolidated Can Corp., Plastic Container Packaging, and in CBC's Retail Banking Business until his retirement in 2015. Director Tsai earned his Bachelor of Science degree in Business Administration from the University of the Philippines and received his Master's degree in Business Administration from the Roosevelt University in Chicago, Illinois. He attended various banking, marketing, and governance trainings, including the training on AML updates, cybersecurity governance, and managing finances in the digital age, the forum on sustainability organized by SMIC and WWF Philippines, AML, and corporate governance.

Claire Ann T. Yap*, 70, Filipino, was elected as an Independent Director of CBSI on December 17, 2020. She also serves as Independent Director in CBC subsidiaries, namely, CBC, CBSC and CBC. She also served as Independent Director in Resurgent Capital, Inc. and Board Trustee and Vice Chairperson in Vedruna Foundation, Inc. Mrs. Yap is a member of the following CBSI Board-level committees: Chairman of the Audit Committee, Vice Chairperson of the Corporate Governance Committee, Vice Chairperson of the Nomination Committee, and member of the Risk Oversight Committee. She held the position of Senior Vice President and Head of Global Service Centre of Global Payments Process Centre, Inc., a Fortune 500 company and worldwide leader providing payments and financial technology solutions. Mrs. Yap has more than 30 years of experience in banking and finance in the Philippines. She has extensive leadership experience in operations beginning with local financial institutions and expanding to global organizations, with considerable exposure from credit card and payments to financial technology solutions in a shared services environment. She has exposures in cross-geographical and cultural team integration, strategic business unit development, revenue generation and cost control, client relationship management, financial and credit analytics, merchant life cycle management, industry standard audits and compliance, and process improvement. In the past, Mrs. Yap held executive leadership roles at Australia and New Zealand Banking Group Ltd./Metrobank Card Corporation and Hongkong Shanghai Banking Corporation. She was also Chairman of the Credit Card Association of the Philippines from 2009 to 2010 and President from 2007 to 2009. A Certified Public Accountant, Mrs. Yap is a graduate of Bachelor of Science in Accounting, cum laude, from the De La Salle University. She has had various training courses in Managing Customer Experience, Credit Card Fraud and Security, Information Security and Data Privacy, AML and corporate governance.

Genaro V. Lapez*, 68, Filipino, was elected as an Independent Director of CBSI on June 17, 2021. He is a member of the following CBSI Board-level committees, namely: Chairman of the Related Party Transaction Committee, Chairman of the Retirement Committee, Chairman of the Remuneration Committee, and Vice Chairman of the Audit Committee. He has more than 10 years of experience in banking and finance in the Philippines, having handled key executive positions at Union Bank, including Head of Center for Strategic Partnerships and Head of Consumer Finance. He also serves as Independent Director in the China Banking Corporation subsidiary CBSC. He has considerable exposure across various local and global industries spanning fast-moving consumer goods (FMCG), pharmaceuticals, multi-media publishing, banking and financial services. He had been posted in Hong Kong, Singapore and Indonesia, and he is conversant in Chinese and Bahasa. Mr. Lapez is a seasoned StracTical (Strategic and Tactical) and GloCal (combining Global Best Practices with Local Realities) thinker. In the past, he held various senior leadership positions in Royal Numico, Coca-Cola Bottlers Phils. Inc., San Miguel Corporation, Nabisco, and Time Life Books, Inc./Time-Warner Inc. Mr. Lapez earned his Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. He has had various trainings on Strategic Marketing (Certificate Program) from the University of Michigan; Retail Banking Future from the John Clements and Harvard Business School; Global Consumer Banking from the likes of The Asian Banker, Technology Governance for Directors and on corporate governance.

Antonio S. Espedido, Jr., 70, Filipino and an Independent Director of CBSI. He has more than 20 years of experience in banking and finance in the Philippines. He is a member of CBSI Board-level committees, namely: Chairman of the Nomination Committee, Chairman of the Corporate Governance Committee, Vice-Chairman of the Risk Oversight Committee, and a member of the Audit Committee, Retirement Committee and Related Party Transaction Committee. Mr. Espedido was a consultant for Intellect Design Arena, a company that provides banking system/solutions. He has extensive leadership experience in treasury and marketing operations. He was a consultant in the implementation of the Treasury system in China Banking Corporation from June 2016 to September 2016. Prior to this, he was CBC's Executive Vice President, Treasurer and Financial Market Business Segment, responsible in managing the investment portfolio of the bank in fixed income and exposure in foreign exchange. He was likewise responsible for managing the bank's liquidity and funding requirements. He also provided direction in identifying market coverage for expanding client base product offerings and helped identify and structure financial funding options based on client's requirements, on the Investment Banking side. He joined CBC as early as 1990 as its Treasurer, responsible for managing fixed income portfolio and foreign exchange exposure. He was a Director of CBSI and CBC Forex from June 2004 to June 2016. While holding such positions with CBC, he was also a member of the Capital Market Committee of the Bankers Association of the Philippines (BAP) from April 2011 to April 2015 and Director of the

Association of Foreign Exchange Dealers of the Philippines from January 1997 to January 1998. Mr. Espedido held the positions in the Bank of the Philippine Islands (BPI) and Citytrust Banking Corporation handling proprietary exposures in fixed income and foreign exchange. He has had training on Financial Situation Caused by Covid-19 pandemic, Digital Transformation in Banking, AML, and corporate governance. He earned his Bachelor's Degree in Business Administration from the University of San Francisco, California, U.S.A. in 1979.

**Note: With duly Board approved interlocking functions with China Bank Savings, Inc.*
[1]*Note: Mr. James Christian T. Dee was seconded to CBSI and duly approved by the BSP.*

The Directors' number of years including number of shares held are as follows:

NAME OF MEMBERS	PRINCIPAL STOCKHOLDER REPRESENTED	NUMBER OF YEARS SERVED AS DIRECTOR	NUMBER OF DIRECT AND INDIRECT SHARES HELD	PERCENTAGE OF SHARES HELD TO TOTAL OUTSTANDING SHARES OF THE BANK
1. Ricardo R. Chua	None	More than 18 years	1	0.00000000948%
2. Nancy D. Yang	None	More than 18 years	1	0.00000000948%
3. James Christian T. Dee	None	More than 4 years	1	0.00000000948%
4. Romeo D. Uyan, Jr.	None	More than 3 years	1	0.00000000948%
5. Patrick D. Cheng	None	More than 8 years	1	0.00000000948%
6. Herbert T. Sy, Jr.	None	More than 4 years	1	0.00000000948%
7. Aloysius C. Alday, Jr.	None	More than 1 year	1	0.00000000948%
8 Philip S. L. Tsai*	None	More than 7 years	1	0.00000000948%
9. Claire Ann T. Yap*	None	More than 5 years	1	0.00000000948%
10. Genaro V. Lapez*	None	More than 4 years	1	0.00000000948%
11. Antonio S. Espedido, Jr.*	None	More than 3 years	1	0.00000000948%

** Independent Director*

2. Executive Officers *(as of December 31, 2025)*

Jan Nikolai M. Lim, 49, Filipino, Senior Vice President, is the Head of Retail Banking Group. He joined CBSI in 2011 as Head of Housing and Personal Loans which became successful products and led the Bank to appoint him as the Head of Consumer Lending Group in 2016. He has been with CBSI for more than 14 years. Prior to joining the Bank, he served as the Vice President of East West Banking Corporation, Vice President of Philippine Savings Bank and Assistant Vice President of Standard Chartered Bank. He started his banking career in Citibank, N.A. as a Manager in 2001. He has expertise in both consumer lending and retail banking. Mr. Lim holds a Bachelor of Science degree in Manufacturing Engineering and Management from De La Salle University. He has more than 24 years of experience in the banking industry.

Luis Bernardo A. Puhawan, 50, Filipino, is the Senior Vice President and Head of the Controllership Group. He joined CBSI in 2015. Prior to this, he served as Controller of the former Planters Development Bank (Plantersbank), a position he assumed in 2011, where he played a key role in non-performing asset reduction and capital raising initiatives. He joined Plantersbank in 2006 as Assistant Vice President and Head of the Financial Reporting and Control Division. Mr. Puhawan began his professional career at SGV & Co. (1997–2002), where he handled audit engagements for a diverse portfolio of companies across major industries, both in the Philippines and overseas. He then joined Philippine Veterans Bank (2002–2005), followed by Deutsche Knowledge Services – Manila (2005–2006), further strengthening his expertise in financial reporting and analysis. He brings extensive experience in audit, accounting, financial reporting, and corporate planning, with over 20 years in the banking industry. Mr. Puhawan holds a Bachelor of Science in Accountancy degree from the University of Santo Tomas and is a Certified Public Accountant.

Niel C. Jumawan, 56, Filipino, is First Vice President II and Head of the Automatic Payroll Deduction Lending Group (APDLG). He joined the Bank in 2015 and has since been instrumental in building and scaling its payroll-based lending franchise into one of the Bank's primary drivers of growth and profitability. Mr. Jumawan has led the transformation of the APD business into a nationwide, multi-channel platform, supported by 107 dedicated APD channels and integrated distribution through Retail Banking Group (RBG) branches. This includes a balanced geographic footprint across Luzon, Visayas, and Mindanao, enabling deeper market penetration and reinforcing the Bank's leadership in the DepEd salary loan segment. His leadership continues to advance financial inclusion by expanding responsible access to credit in underserved regions, supported by scalable infrastructure and data-driven lending strategies. A recognized industry authority in payroll-based lending, Mr. Jumawan actively engages with regulators and policymakers in shaping frameworks that promote sustainable growth, consumer protection, and balanced risk-sharing mechanisms within the sector. His involvement in policy discussions and industry coordination has strengthened both the Bank's positioning and its alignment with evolving regulatory standards. With over 23 years of banking experience, he brings deep expertise in credit, marketing, and business development. Prior to joining the Bank, he held senior roles at City Savings Bank, Inc., and has professional experience across the government, telecommunications, and real estate sectors -providing a broad and strategic perspective in driving enterprise-wide growth. Mr. Jumawan holds a Bachelor of Science in Computer Technology from Computer College of the Visayas and a Bachelor of Science in Commerce, major in Management, from the University of Iloilo.

Adonis C. Yap, 56, Filipino, currently serves as First Vice President I and is a seasoned banking professional with over 33 years of industry experience. He heads the Digital Business Banking Group at CBSI, where he drives strategic initiatives in cash and card management, business process optimization, alternative banking channels, business analytics, and digital transformation. With deep expertise in transaction banking and digital channel management, Mr. Yap brings a strong blend of operational insight and innovation, further reinforced by extensive local and international training. Prior to joining CBSI, he established a solid foundation at Dao Heng Bank of Hong Kong and Planters Development Bank (PDB), where he held key leadership roles, including Head of Cash Management Services and later Head of Product Management and Marketing. Mr. Yap holds a Bachelor of Science in Commerce, Major in Management, from Colegio de San Juan de Letran. He remains committed to advancing digital transformation in banking, helping businesses stay competitive in an increasingly technology-driven landscape.

Atty. Josephine F. Fernandez, 63, Filipino, First Vice President II, is the Head of Human Resources Division. She joined CBSI in 2018. Given her extensive experience, she spearheaded the Bank's organizational transformation. She is a past President of the Bankers Council for People Management (BCPM). Prior to CBSI, she was a former Senior Vice President and Head of Human Resources of East West Banking Corporation, Vice President and Deputy Head of Human Resources of the Bank of the Philippine Islands, First Vice President and Deputy Head of Human Resources of Metropolitan Bank & Trust Co. and Vice President and Head of HR and Administration at the Bank of Tokyo-Mitsubishi UFJ - Manila (MUFG). She also held various positions at the erstwhile Equitable Banking Corporation. She was a lecturer in the Commerce Department of the University of Luzon for 3 years after graduation in 1983. She obtained her Bachelor of Science degree in Business Administration from the University of the Philippines-Diliman and her Bachelor of Laws in San Beda College and San Sebastian College. She is a member of the Philippine Bar. She is a certified Job and Career Transition Coach. She has over 38 years of experience in the banking industry.

Francis Andre Z. De Los Santos*, 53, Filipino, First Vice President II, is the Chief Information Officer of CBSI. He also serves as the Chief Information Officer for China Banking Corporation and Director and General Manager of Bank subsidiary CBC-PCCI. Prior to his secondment and the integration of Business Solutions into CBC-PCCI, he was the Head of Business Solutions Division of CBC. He previously worked for SM Retail, Inc. and Metropolitan Bank and Trust Company, gaining significant experience in the retail and banking business. Mr. Delos Santos graduated with a Bachelor of Science degree in Business Administration – Major in Computer Applications from De La Salle University. His training and exposure make him an authority in information systems, business information security, cybersecurity governance, and financial technology, among others. He has more than 10 years of experience in the banking industry.

Hanz Irvin S. Yoro*, 44, Filipino, First Vice President I, is the Chief Information Security Officer and Head of Information Security and Data Privacy Division of China Banking Corporation (CBC). Prior to joining CBC, he was the Technology Operations Head of Sterling Bank of Asia, Information Security Officer of Megalink and EPacific Global. He has extensive exposure in the information security space, including the mitigation of risks and managing threats. Mr. Yoro is a degree holder of Bachelor of Science in Computer Science and Information Technology from the Asia Pacific College. He has 21 years of experience in the banking industry.

Mary Grace F. Guzman, 60, Filipino, Vice President II, is the Head of Asset Recovery Group (ARG). She joined CBSI in 2015. Before joining CBSI, she was the Division Head for Special Accounts Management in Planters Development Bank with expertise in remedial and project management and guarantee operations. She has experience as Account Officer, Branch Manager and Branch Operations Officer in United Overseas Bank (UOB) Phil., and a Project Manager for Electric Cooperative System Loss Reduction (ECSLR) Project of the World Bank – LGU Guarantee Corporation in her capacity as consultant. She has significant exposure and training in account management, asset management and remedial management. She is a degree holder of Bachelor of Science in Business Administration from the University of the Philippines - Visayas. She has more than 17 years of experience in the banking industry.

Frederick M. Pineda, 57, Filipino, First Vice President I, is the Head of the Centralized Operations Group (COG) taking the lead in the transformation of the Group to be a flexible and agile member of the Team. He joined CBSI in 2020 as its Internal Audit Division Head. Prior to joining CBSI, he was Branch Audit Department Head at China Banking Corporation (CBC) where he stayed for 30 years until his early retirement in 2019. He held various positions at Far East Bank & Trust Company before joining CBC. He has extensive training, exposure and experience in bank operations, auditing, accounting and process review & improvement. Mr. Pineda is a graduate of Bachelor of Science in Commerce major in Accounting from the University of St. La Salle – Bacolod. He is a Certified Public Accountant, a former member of the Institute of Internal Auditors, Association of Certified Fraud Examiners and Banker's Institute of the Philippines. He has more than 35 years of experience in the banking industry.

Atty. Roberto M. Buenaventura, 53, Vice President II, is the Head of the Legal Services and Recovery Group. He joined CBSI in 2021. Prior to joining CBSI, Atty. Buenaventura was a Legal Officer of United Coconut Planters Bank (UCPB) for 11 years, where from 2010 to 2013, he was also seconded as Head of Legal Services Division of UCPB Savings, the retail arm of UCPB. Earlier, between the years 1998-2010, Atty. Buenaventura was a name partner and a managing partner of a law firm based in Zamboanga City, where he had an extensive experience and exposure in all aspects of litigation, and private law practice. During the same period, he was the Provincial Legal Officer of the Province of Basilan. He was also a Visiting Lecturer at the Western Mindanao State University College of Law, and Basilan State College Law Department where he taught various law subjects. Atty. Buenaventura finished his degree in Bachelor of Arts in Public Administration at the University of the Philippines - Diliman in 1993 and his Bachelor of Laws degree from San Beda College of Law in 1997. He is a member of the Philippine Bar. He has over 15 years of experience in the banking industry.

Atty. Corazon T. Llagas, 60, Vice President II, is the Chief Compliance Officer of the Bank. She joined CBSI in 2022. Prior to joining CBSI, she was with the Bank of Commerce from 2016 to 2021 as Chief Compliance Officer, and previously as Head of Remedial and Litigation Department. She was also with Metropolitan Bank and Trust Company Legal Officer and later as Compliance Specialist of Legal Services Division and Compliance Division, respectively. She also worked for the government as a Legal Officer of the Department of Agrarian Reform (DAR), Development Management Officer of the the Department of Environment and Natural Resources (DENR) and Associate Solicitor III of the Office of the Solicitor General (OSG). She has solid experience in compliance work; her appointment as Chief Compliance Officer having been confirmed by the BSP. She is currently a Trustee of the Association of Bank Compliance Officers (ABCOM) and has served as such for the past 7 years. She also has extensive experience in litigation, handling remedial accounts, and foreclosure and collection cases. She earned her Bachelor of Arts in Sociology, Master of Arts in Sociology and Bachelor of Laws, all from the University of the Philippines-Diliman. Atty. Llagas is a member of the Philippine Bar. She has more than 23 years of experience in the banking industry.

Kristine Michele C. Broadhurst, 52, Filipino, Vice President II, Ms. Broadhurst is the Head of Consumer Lending Group. She joined CBS in 2012 as an Account Officer with a rank of Assistant Vice President. With her exceptional leadership and outstanding performance, she progressed from AVP to Vice President II and later led the Housing Loans Division. She was designated as Deputy Head of Consumer Lending Group on January 1, 2024, and as full-fledged Group Head on February 1, 2025. Prior to joining CBS, she was a Business Development Manager of HSBC, the Developer 1 Department Head in PSBank's Mortgage Banking Division, and a Marketing Assistant for BPI Family Savings Bank and DBS Bank Philippines, Inc. A consistent Dean's Lister, Ms. Broadhurst obtained her Bachelor of Science degree in Commerce Major in Management from Centro Escolar University. She has over 24 years of experience in the banking industry.

Charmaine S. Hao, 48, Filipino, Vice President I, serves as Treasurer of the Bank. She joined CBSI in 2015 as Head of the Fund Management Department, where she supported the Treasury Head in overseeing the Bank's liquidity management and trading operations. In 2021, she was appointed Treasurer, responsible for ensuring the efficient servicing of the Bank's funding requirements, optimizing short-term placement costs, and enhancing the Bank's carry income. Prior to joining CBSI, Ms. Hao held key roles at Planters Development Bank, starting as a Dealer and advancing to Deputy Treasury Head by 2015. She holds a Bachelor of Science degree in Legal Management from Ateneo de Manila University. She ranked 4th in the April 2014 Civil Service Examination. A certified treasury professional and licensed fixed income securities dealer, Ms. Hao brings 27 years of extensive experience in the banking industry.

Brenda S. Santiago, 56, Filipino, Vice President I, is the Head of SME Lending Group. She joined CBSI in 2018 as Head of Small Biz Lending Division of the SME Lending Group (SLG). Given her success in developing the small business loan portfolio of the Bank, her role was expanded and appointed as the SLG Luzon Lending Division Head in 2021. She was appointed as Head of the SME Lending Group effective October 2022. She has good exposure in managing business loans which CBS wishes to develop. Prior to joining CBSI, from 1995 to 2018, she was extensively involved in SME and Corporate lending as an account manager and team head in United Coconut Planters Bank (UCPB), LBC Development Bank, Metropolitan Bank & Trust & Co., PBCom and Maybank. She has attended various training courses in account management, financial analysis and loan packaging. She earned her Bachelor of Science in Information and Computer Science from The Philippine Women's University and her Bachelor of Science in Nursing from JP Sioson General Hospital and Colleges obtaining her Nursing License in 2004. She has over 33 years of experience in the banking industry.

Atty. Arturo Jose M. Constantino III, 42, Filipino, Senior Assistant Vice President, is the Corporate Secretary of the Bank. He joined CBSI in 2019 as Assistant Corporate Secretary and Legal Officer for Litigation until his full-fledged appointment to his current post as Corporate Secretary in 2020. Prior to joining CBSI, he had substantial experience in law practice. He served as Corporate Legal Counsel for both multinational and local companies, including Music Group of Companies and Filinvest Land, Inc. He was also an Associate Lawyer for Paras and Manlapaz Lawyers, and Valerio and Associates Law Offices, where he was appointed as Corporate Secretary for various clients. He holds a Juris Doctor Degree from the Ateneo De Manila Law School. He has more than 5 years of experience in the banking industry.

Warren Augustus D. de Guzman, 43, Filipino, Senior Assistant Vice President, is the Head of Customer Experience Management, Marketing Services and Sustainability Division. He joined CBSI in 2023, helping to set up the CBS Environment and Social Risk Management System, the CBS Social Media and Press Release Policy, and the CBS 'Casey' Chatbot powered by Microsoft Copilot. Prior experience in banking is about 3 years with Planters Development Bank (PDB), where he completed his Management Training Program and was designated as an Account Relationship Officer. He moved to broadcast media in 2006 where he spent 17 years gaining extensive experience as News Anchor, Reporter, Executive Producer, and Senior Business Journalist at ABS-CBN. He was a pioneering member of the multi award winning ABS-CBN Data Analytics Team from 2017 to 2023. Throughout his career, Mr. de Guzman built key relationships with public institutions, such as the BSP, the SEC, Philippine Stock Exchange (PSE), and major listed corporations. He has certifications in Financial Planning and Content Marketing, and has received training in Environmental, Social and Governance (ESG) matters from CBC, SMIC, GIZ and PWC. Mr. de Guzman earned his Bachelor of Arts Major in Social Science degree from the Ateneo De Manila University. He has over 5 years of experience in the banking industry.

Colleen Rosemere B. Reyes, 32, Filipino, Assistant Vice President, is the Head of Risk Management Division. She joined CBSI in July 2024 as Credit Risk Department Head and was appointed as Risk Management Division Officer-in-Charge. Prior to CBSI, she held various positions at Malayan Savings Bank including Risk Management Department and Accounting Head, as well as Officer position across credit, treasury & market, and operational risk. Her career began at Navarro Amper & Co. (Deloitte PH) as Audit Assurance Junior/Senior from 2014 to 2017. Ms. Reyes earned her Bachelor of Science degree in Accountancy as Cum Laude from the Polytechnic University of the Philippines in 2014 and is a Certified Public Accountant. She has over 11 years of combined experience in banking and auditing.

Rudcen Mark M. Iglesia, 44, Filipino, Vice President I, is the Deputy Head of Human Resources of CBSI. He joined CBSI in 2017 as Senior Assistant Vice President and Head of Training and Development under Human Resources Division. Since then, he has held a series of progressive leadership roles within the Human Resources Division, including responsibilities under manpower management, serving as Head of the Talent Strategy Department. In 2023, he was assigned to support the Retail Banking Group where he assisted the HR Head in cascading organizational changes and recasting strategies to align with the Bank's CASA targets. He was officially designated as a full-time Area Head and was conferred the Order of the Big League Award for leading his team in making a critical contribution to the achievement of CBS goals. Mr. Iglesia began his professional career at the The Insular Life Assurance Co., Ltd. As a Training Specialist. He later transitioned into banking, taking on key roles at Maybank Philippines, Inc., Security Bank Corporation, and Philippine Bank of Communications, where he last served as Assistant Vice President and Head of Recruitment and Training. He holds a degree in Business Administration, major in Management from Bicol University and Post Graduate Degree in Management from De La Salle University Professional Schools, Inc. He has over 25 years of experience in the industry.

Note With duly Board approved interlocking functions with China Bank Savings, Inc.*
Note 1: All the foregoing directors and officers have been involved in the banking industry for more than five (5) years, except for Mr. Herbert T. Sy., Jr. who has been with the SM Group of Companies since January 2009.
Note 2: None of the above-mentioned directors and officers works in the government.

3. Term

Effective succession management is vital in sustaining our growth and continued operations. We recognize the invaluable contributions of our seasoned directors in guiding the Bank, putting more credence on experience rather than age. As a matter of policy, Directors may continue to serve on the Board provided they remain fit and proper for the position – in good physical and mental condition and are capable of fulfilling their responsibilities in compliance with regulatory requirements. Our By-laws provide the rules on succession, replacement or vacancy in the Board due to retirement or any other reason. Vacancies in the Board may be filled through appointment or election of the remaining directors, if still constituting a quorum; otherwise, the stockholders shall fill such vacancy in a regular or special meeting called for such purpose. For Independent Directors, Bank policies and practices are aligned with SEC and BSP rules on term limit.

4. Significant Employees

The registrant is not highly dependent on the services of certain key personnel.

5. Family Relationship

None of the directors or officers is related to each other within the fourth degree either by consanguinity or affinity.

6. Involvement in Certain Legal Proceedings

The Bank has no knowledge of any involvement of any of the directors or executive officers in any material legal proceedings affecting their ability or integrity before any court of law or administrative body in the Philippines or elsewhere for the last five (5) years.

Item 10. EXECUTIVE COMPENSATION

Comparative amount of salaries paid for the Directors and Key Executives of the Corporation (with cut off of December 31, 2025), and, any amount of per diem including bonus of the directors for the last two years.

	YEAR	SALARY	BONUS, PER DIEM and OTHER COMPENSATION	TOTAL
Total for the 5 most highly compensated executive officers	2026 (estimate)	₱30,205,662	₱16,427,585	₱46,633,247
	2025 (actual)	28,495,908	15,497,722	43,993,630
	2024 (actual)	24,202,236	12,825,132	37,027,368
Total for all key executive officers	2026 (estimate)	36,020,610	19,268,279	55,288,889
	2025 (actual)	33,981,708	18,177,622	52,159,330
	2024 (actual)	26,709,636	13,867,382	40,577,018
Total for all Directors	2026 (estimate)	–	1,423,000	1,423,000
	2025 (actual)	–	1,945,000	1,945,000
	2024 (actual)	–	2,467,000	2,467,000

* For Year 2026: Messrs. Jan Nikolai M. Lim, Niel C. Jumawan, Luis Bernardo A. Puhawan, Josephine F. Fernandez, Kristine Michelle C. Broadhurst
* For Year 2024-2025: Messrs. Jan Nikolai M. Lim, Niel C. Jumawan, Luis Bernardo A. Puhawan, Josephine F. Fernandez, Mary Grace F. Guzman

- The Key Executive Officers who were appointed by China Bank to CBS on a concurrent/seconded basis do not receive salaries and other bank benefits, bonuses and per diem from the registrant.
- The Directors, who hold their offices concurrently with their positions in China Bank, likewise receive no fees, per diem and bonuses from the registrant. Only board members who are not officers of China Bank and Independent Directors receive per diems from the registrant.
- The only contract existing between the executive officers and the registrant is that of an employee–employer relationship.
- There are no other compensation arrangements for their services.
- There are no outstanding warrants or stock options held by the registrant's officers and directors.

Item 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

1. Security Ownership of Certain Record and Beneficial Owners

The following own more than 5% of any class securities as of December 31, 2025.

TITLE OF CLASS	NAME, ADDRESS OF RECORD OWNER AND RELATIONSHIP W/ ISSUER	BENEFICIAL OWNER AND RELATIONSHIP W/ RECORD OWNER	CITIZENSHIP	NO. OF SHARES HELD	%
Common Stock	China Banking Corporation		Filipino	124,995,882	99.67%

The Chairman, Mr. Ricardo R. Chua, is the duly authorized representative of China Banking Corporation, and shall exercise the right to vote all the above-enumerated shares by appropriate proxy.

The Corporation has no knowledge of any person holding more than 5% of the Bank's outstanding shares under a voting trust or similar agreement. The Corporation is likewise not aware of any arrangement which may result in a change in control of the Corporation or any additional shares which the above listed beneficial or record owners have the right to acquire within thirty days, from options, warrant, rights, conversion privilege or similar obligation, or otherwise.

2. Security Ownership of Directors and Top Management

TITLE OF CLASS	NAME OF RECORD OWNER	AMOUNT (₱)	CITIZENSHIP	PERCENTAGE
Directors				
Common Stock	Ricardo R. Chua	100	Filipino	0.00010%
Common Stock	Nancy D. Yang	100	Filipino	0.00010%
Common Stock	James Christian T. Dee	100	Filipino	0.00010%
Common Stock	Romeo D. Uyan, Jr.	100	Filipino	0.00010%
Common Stock	Patrick D. Cheng	100	Filipino	0.00010%
Common Stock	Herbert T. Sy, Jr.	100	Filipino	0.00010%
Common Stock	Aloysius C. Alday, Jr.	100	Filipino	0.00010%
Common Stock	Philip S. L. Tsai	100	Filipino	0.00010%
Common Stock	Claire Ann T. Yap	100	Filipino	0.00010%
Common Stock	Genaro V. Lapez	100	Filipino	0.00010%
Common Stock	Antonio S. Espedido, Jr.	100	Filipino	0.00010%
	Total as a Group	**1,100**		**0.0011%**

3. Voting Trust Holders of 5% or More

No other person holds more than 5% of a class under voting trust or similar agreement.

Item 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

In the ordinary course of business, the Board of Directors continues to ensure that loans and other transactions with its DOSRI are made substantially on terms not less favorable to the Bank than those offered by others. Full disclosures for these transactions were made through timely reports with the BSP.

None of the directors or officers is related to each other within the fourth civil degree either by consanguinity or affinity.

PART IV. CORPORATE GOVERNANCE

Item 13. CORPORATE GOVERNANCE

GOVERNANCE MECHANISMS AND POLICIES

The corporate governance structure of the Bank is supported by the policies and mechanisms adopted to foster a culture of good governance. These are enshrined in the Bank's Corporate Governance Manual, Code of Ethics, Compliance Manual and various internal circulars. The Bank has also adopted leading practices in corporate governance for the continuous promotion and protection of its stakeholders.

The Bank is continuously updating its Board-approved Manual on Corporate Governance. The Manual embodies the principles of good corporate governance and best practices. To comply with the new regulations issued by the BSP, the Manual was recently revised and approved by the Board. The amendment solidifies the Bank's commitment to formalize and institutionalize the principles of good corporate governance in the entire organization and strengthened the oversight function of the Board of Directors.

The Board of Directors, management, employees and shareholders believe that good corporate governance is a necessary component of what constitutes sound strategic business management. Thus, it has, within the bounds of its resources, implemented all planned action to create a heightened and continuing awareness on good corporate governance within the organization.

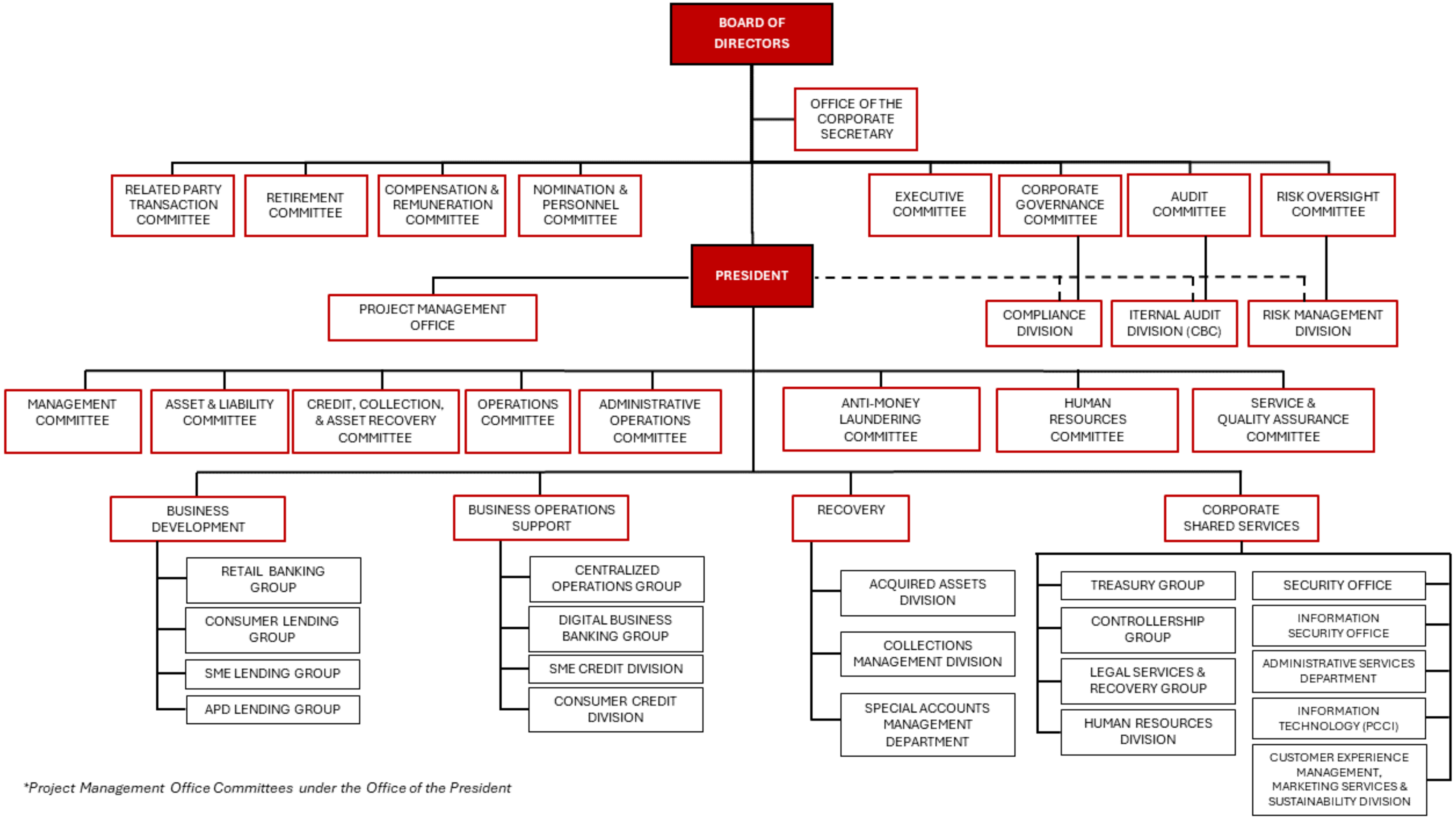
To ensure good governance, there is an evaluation system for the Board, individual Directors and various Board Committees such as Executive Committee, Risk Oversight Committee, Audit Committee and Corporate Governance Committee.

The Annual Corporate Governance Report (ACGR) was submitted by the Bank to the Securities and Exchange Commission in 2025 and uploaded on the Bank's website under Corporate Governance.

Organizational Structure

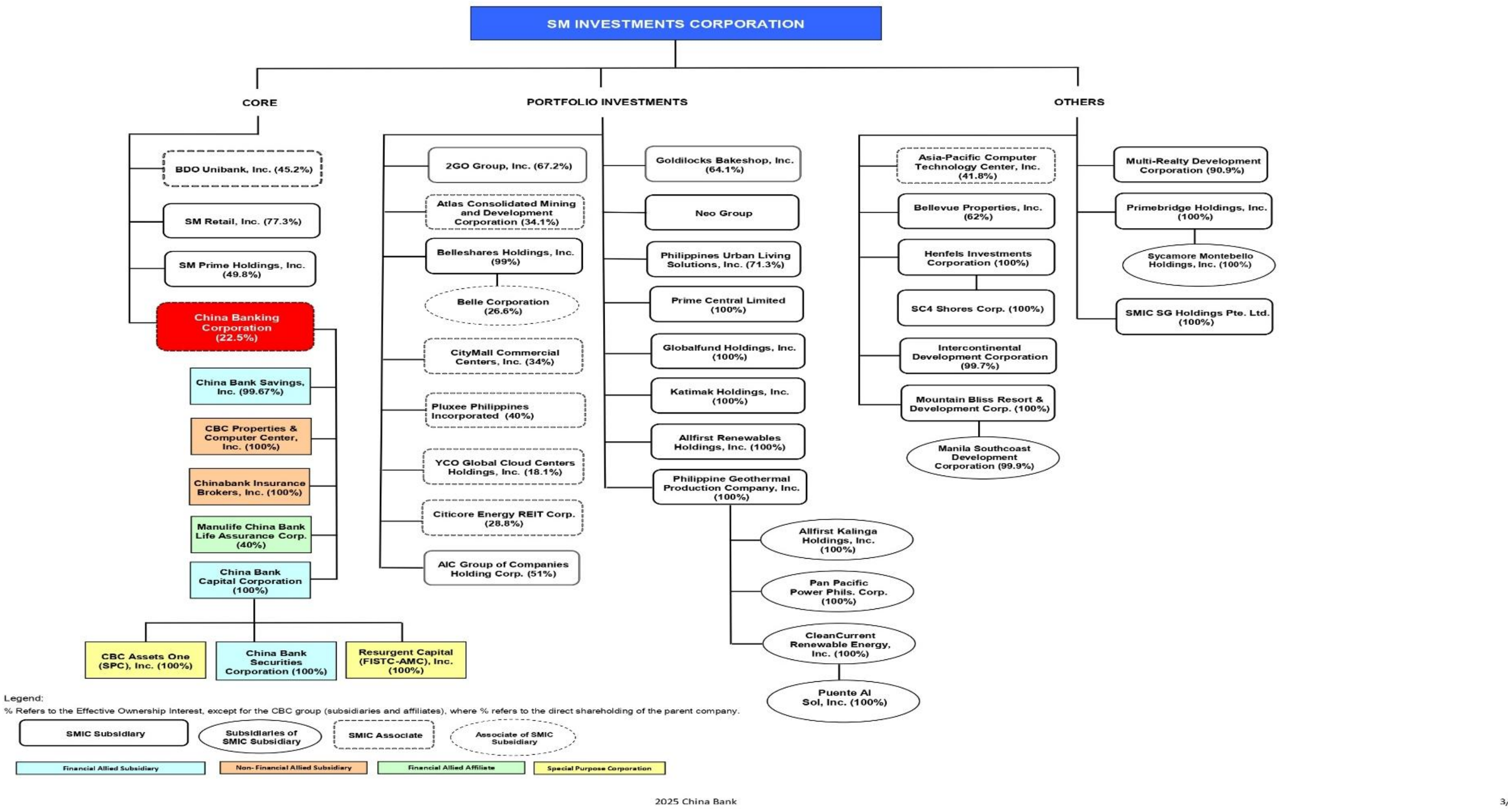
The Board of Directors being at the core of the Bank's corporate governance structure continues to foster a culture of a proactive Board that is accountable and responsible for the affairs and performance of the Bank supported by dynamic officers and staff in achieving its goal of governance of going beyond best practice compliance.

The Board approved the new table of organization for the year 2025, to wit:



Conglomerate Structure

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS OF DECEMBER 31, 2025



Board of Directors

The Bank has eleven (11) directors out of eleven (11) seats as stated in its By-Laws. In accordance with the Bank's Manual on Corporate Governance aligned with laws, rules and regulations, the members of the Board are selected from a broad pool of qualified candidates after considering, among other things, their integrity, competence, independence, leadership, ability to exercise sound judgment, and experience at policy-making levels involving issues affecting business, government, as well as other areas relevant to the Bank's operations.

Acknowledging the significant and crucial roles of Independent Directors, the Bank has four (4) independent directors in the Board to promote independent oversight of management by the Board of Directors. The Bank's Independent Directors are independent of management and major/substantial shareholders, and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with exercise of independent judgment in carrying out their responsibilities as directors of the Bank.

The members of the Board are given a copy of their general and specific duties and responsibilities as prescribed by the Manual of Regulations for Banks (MORB); the directors acknowledge that they have received and certify that they read and fully understood the same. Copies of the acknowledgment receipt and certification are submitted to the BSP within the prescribed period. Moreover, the Directors individually submit a Sworn Certification that they possess all the qualifications as enumerated in the MORB. These certifications are submitted to the BSP after their election. Additional certifications are executed by Independent Directors to comply with the Securities Regulation Code and BSP rules which are then submitted to the SEC.

Board Meetings and Supply of Information

The meetings of the Board are scheduled in advance in accordance with the Bank's By-Laws every third Thursday of each month. Special meetings are held when necessary.

The Directors are expected to prepare for, attend and participate in these meetings, and to act judiciously, in good faith and in the interest of the Bank and its shareholders, thus, they are provided Board materials related to the agenda days in advance of meetings by the Corporate Secretary.

A director may participate via telephone-conferencing when exigencies prevent him from attending a Board meeting in person.

The Board is provided with the information and resources needed to effectively discharge its fiduciary duty. The Board is informed on an ongoing basis of the Bank's performance, major business issues, new developments, and the impact of recent developments in the economic and regulatory environment.

Members of Senior Management are invited to attend Board meetings to provide the Board with detailed explanations and clarifications on proposals tabled to enable the Board to make an informed decision. The meetings of the Board and its committees are recorded in minutes, and all resolutions are documented.

For the period January 2025 to December 2025, the Board of Directors had 13 Board meetings and 64 committee meetings. The incumbent directors attended/participated in more than 50% of all the meetings, as follows:

Body	ASM	Board Members	ExCom Members	CGCom Members	AuditCom Members	ROC Members	RPTCom Members	NomCom Members	RemCom Members	RetCom Members
Total Number of Meetings	1 (19 June 2025)	13 (12 Reg. Mtgs. & 1 Spl. Mtgs.)	26 (24 Reg. Mtgs. & 2 Spl. Mtg.)	11 (6 Reg. Mtgs. & 5 Spl. Mtgs.)	6 (All Regular Mtgs.)	7 (6 Regular Mtgs. & 1 Special Mtg.)	7 (All Regular Mtgs.)	4 (1 Reg. Mtg. & 3 Spl. Mtgs.)	1 Reg. Mtg.	2 (All Reg. Mtgs.)
No. of Attendance										
Ricardo R. Chua	1	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nancy D. Yang	1	13	26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Romeo D. Uyan, Jr.	1	5	22	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Christian T. Dee[1]	1	12/12	25	N/A	N/A	N/A	N/A	N/A	1	2
Patrick D. Cheng	1	12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Herbert T. Sy, Jr.	1	9	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Aloysius C. Alday Jr.	1	11	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Philip S. L. Tsai	1	13	N/A	11	N/A	7	7	4	1	N/A
Claire Ann T. Yap	1	12	N/A	10	6	7	N/A	4	N/A	N/A
Genaro V. Lapez	1	11	N/A	N/A	4	N/A	7	N/A	1	2
Antonio S. Espedido, Jr.	1	13	N/A	11	6	7	7	4	N/A	2

Legend:
1.Mr. James Christian T. Dee was exempted from attending the Board Special Meeting (Meeting without the President) on 18 December 2025.

Board Committees *(Board Approved on 19 June 2025)*

In order to effectively carry out its mandate of good corporate governance through compliance with laws, rules, regulations and best practices, the Board of the Bank is supported by various committees, as follows:

a. **Executive Committee,** when the Board is not in session, has the powers of the Board in the management of the business and affairs of the Bank, to the fullest extent permitted under Philippine law.

Executive Committee (ExCom)*	
Chairman	Romeo D. Uyan, Jr.
Vice-Chairperson	Nancy D. Yang
Member /President	James Christian T. Dee
Member	Herbert T. Sy, Jr.
Member	Aloysius C. Alday, Jr.

b. **Corporate Governance Committee** is responsible for ensuring the Board's effectiveness and due observance of Corporate Governance principles and guidelines and oversees the periodic evaluation of the Board and its Committees, as well as of the Executive Management.

Corporate Governance Committee (CGCom)	
Chairman	Antonio S. Espedido Jr., *Independent Director*
Vice-Chairperson	Claire Ann T. Yap, *Independent Director*
Member	Philip S.L. Tsai, *Independent Director*

c. **Audit Committee** primarily oversees all matters pertaining to audit, including the evaluation of the adequacy and effectiveness of the Bank's internal control system. It likewise provides oversight on the activities of management and the internal and external auditors. The Committee is also empowered to oversee the Bank's external audit functions, financial reporting and policies, by selecting the auditors and approving their fees, reviewing and discussing the scope and plan of annual audit, and reviewing and discussing with management and auditors the annual audited financial statements of the Bank. It also provides oversight over management's activities in managing credit, market, liquidity, operational, legal and other risks of the Bank, including regular receipts from management of information on risk exposures and risk management activities.

Audit Committee (AuditCom)	
Chairperson	Claire Ann T. Yap, *Independent Director*
Vice-Chairman	Genaro V. Lapez, *Independent Director*
Member	Antonio S. Espedido Jr., *Independent Director*

d. **Risk Oversight Committee** is responsible for the oversight and development of all the Bank's risk management functions, including the evaluation of the risk management plan to ensure its continued relevance, comprehensiveness, and effectiveness.

Risk Oversight Committee (ROC)	
Chairman	Philip S.L. Tsai, *Independent Director*
Vice-Chairman	Antonio S. Espedido, Jr. *Independent Director*
Member	Claire Ann T. Yap, *Independent Director*

e. **Related Party Transaction Committee** is responsible for reviewing all material related party transactions to ensure that they are conducted in accordance with the arm's length principles.

Related Party Transaction Committee (RPTCom)	
Chairman	Genaro V. Lapez, *Independent Director*
Vice-Chairman	Philip S. L. Tsai, *Independent Director*
Member	Antonio S. Espedido Jr., *Independent Director*

f. **Nomination Committee** is responsible for reviewing and evaluating the qualifications of all persons nominated to the Board and other appointments that require Board approval. It also has the task of identifying the qualities of the nominees/appointees to the Board aligned with the Bank's strategic directions.

Nomination Committee (NomCom)	
Chairman	Antonio S. Espedido Jr., *Independent Director*
Vice-Chairperson	Claire Ann T. Yap, *Independent Director*
Member	Philip S.L. Tsai, *Independent Director*

g. **Remuneration Committee** provides a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of all Bank personnel. It provides oversight over remuneration of all personnel, ensuring that compensation is consistent with the interest of all stakeholders and the Bank's culture, strategy and control environment.

Remuneration Committee (RemCom)	
Chairman	Genaro V. Lapez, *Independent Director*
Vice-Chairman/President	James Christian T. Dee
Member	Philip S.L. Tsai, *Independent Director*

h. **Retirement Committee** shall discharge the Board of Directors' responsibilities relating to oversight of the investment of the funds of the Company's retirement benefit plans and the performance of plan trustee and investment fiduciaries.

Retirement Committee (RetCom)	
Chairman	Genaro V. Lapez, *Independent Director*
Vice-Chairman/President	James Christian T. Dee
Member	Antonio S. Espedido, Jr., *Independent Director*

For the period January 2025 to December 2025, the incumbent directors and executive officer attended/participated in more than 50% of all the committee meetings, as follows:

NAME OF MEMBERS	EXCOM	CG COM	AUDIT COM	ROC	RPT COM	NOM COM	REM COM	RET COM
No. of Meetings	**26**	**11**	**6**	**7**	**7**	**4**	**1**	**2**
1. Ricardo R. Chua	-	-	-	-	-	-	-	-
2. Nancy D. Yang	100%	-	-	-	-	-	-	-
3. Romeo D. Uyan, Jr.	85%	-	-	-	-	-	-	-
4. James Christian T. Dee	96%	-	-	-	-	-	100%	100%
5. Patrick D. Cheng	-	-	-	-	-	-	-	-
6. Herbert T. Sy, Jr.	92%	-	-	-	-	-	-	-
7. Aloysius C. Alday, Jr.	92%	-	-	-	-	-	-	-
8. Philip S. L. Tsai	-	100%	-	100%	100%	100%	100%	-
9. Claire Ann T. Yap	-	91%	100%	100%	-	-	-	-
10. Genaro V. Lapez	-	-	67%	-	100%	100%	100%	100%
11. Antonio S. Espedido, Jr.	-	100%	100%	100%	100%	100%	-	100%

OTHER MANAGEMENT COMMITTEES *(Board Approved on 19 June 2025)*

MANAGEMENT COMMITTEE

Chairman	President James Christian T. Dee
Vice Chairman	SVP Jan Nikolai M. Lim – Retail Banking Group Head
Members	SVP Luis Bernardo A. Puhawan - Controller
	VP II Mary Grace F. Guzman – Asset Recovery Group Head
	FVP II Niel C. Jumawan - APD Lending Group Head
	VP II Kristine Michele C. Broadhurst – Consumer Lending Group Head
	VP I Brenda S. Santiago – SME Lending Group Head
Resource Person	VP I Charmaine S. Hao – Treasury Group Head FVP II Atty. Josephine F. Fernandez – Human Resources Division Head VP I Rudcen Mark M. Iglesia – Human Resources Division Deputy Head

ASSET AND LIABILITY COMMITTEE (ALCO)

Chairman	President James Christian T. Dee
Vice Chairman	VP I Charmaine S. Hao - Treasurer
Members	SVP Jan Nikolai M. Lim – Retail Banking Group Head
	SVP Luis Bernardo A. Puhawan - Controller
	VP II Kristine Michele C. Broadhurst – Consumer Lending Group Head
	VP I Brenda S. Santiago – SME Lending Group Head
Ex-Officio	AVP Colleen Rosemere B. Reyes – Risk Management Division Head

CREDIT, COLLECTIONS, AND ASSET RECOVERY COMMITTEE (CRECOM)

Chairman	President James Christian T. Dee
Vice Chairman	SVP Jan Nikolai M. Lim – Retail Banking Group Head
Members	SVP Luis Bernardo A. Puhawan - Controller
	VP II Mary Grace F. Guzman - Asset Recovery Group Head
	SAVP Julius Joseph L. Romabiles - SME Credit Division Head
Ex-Officio	VP II Atty. Roberto M. Buenaventura - Legal Services Division Head
	AVP Colleen Rosemere B. Reyes - Risk Management Division Head
	VP I Brenda S. Santiago – SME Lending Group Head
	VP I Ma. Jerreza D. Cabusao - Collections Services Division Head

OPERATIONS COMMITTEE (OPCOM)

Chairman	FVP I Frederick M. Pineda – Centralized Operations Group Head
Vice Chairman	FVP I Adonis C. Yap - Digital Business Banking Group Head
Members	VP II Atty. Corazon T. Llagas - Chief Compliance Officer
	SAVP Grace Z. Floresca – Consumer Credit Division Head
	FVP II Atty. Josephine F. Fernandez – Human Resources Division Head
Ex-Officio	AVP Colleen Rosemere B. Reyes - Risk Management Division Head
	AVP Richard V. Manzano - Administrative Services Department Head

ADMINISTRATIVE INVESTIGATION COMMITTEE (AIC)

Chairman	FVP II Atty. Josephine F. Fernandez - Human Resources Division Head
Vice Chairman	VP II Atty. Roberto M. Buenaventura - Legal Services Division Head
Members	SVP Luis Bernardo A. Puhawan – Controller
	VP II Atty. Corazon T. Llagas – Chief Compliance Officer
	AVP Colleen Rosemere B. Reyes - Risk Management Division Head

OTHER COMMITTEES *(Under the Office of the President as Project Management Office Committees)*

ANTI MONEY LAUNDERING COMMITTEE (AMLACOM)

Chairman	VP II Atty. Corazon T. Llagas – Chief Compliance Officer
Vice Chairman	AVP Colleen Rosemere B. Reyes - Risk Management Division Head
Members	VP II Atty. Roberto M. Buenaventura - Legal Services Division Head
	FVP I Frederick M. Pineda – Centralized Operations Group Head
	VP II Kristine Michele C. Broadhurst – Consumer Lending Group Head

HUMAN RESOURCES COMMITTEE (HRCOM)

Chairman	FVP II Atty. Josephine F. Fernandez - Human Resources Division Head
Vice Chairman	SVP Luis Bernardo A. Puhawan – Controller
Members	SVP Jan Nikolai M. Lim – Retail Banking Group Head
	FVP I Frederick M. Pineda – Centralized Operations Group Head
	FVP II Niel C. Jumawan - APD Lending Group Head
Ex-Officio	VP I Rudcen Mark M. Iglesia – Human Resources Division Deputy Head

SERVICE AND QUALITY ASSURANCE COMMITTEE (SQACOM)

Chairman	President James Christian T. Dee
Vice Chairman	FVP I Frederick M. Pineda – Centralized Operations Group Head
Members	FVP I Adonis C. Yap- Digital Business Banking Group Head
	VP II Atty. Corazon T. Llagas – Chief Compliance Officer
	SAVP Warren Augustus D. De Guzman - CEM Marketing Services & Sustainability Division Head

Selection Process for the Board and Senior Management

The Nomination Committee and/or Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. It shall review and evaluate the qualifications of all persons nominated on the board as well as those nominated for other positions requiring appointment by the Board of Directors.

The Corporate Governance Committee shall be responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines. It shall oversee the periodic performance evaluation of the Board and its committees and executive management; and shall also conduct an annual self-evaluation of its performance. The Committee Chairman shall certify that it conducts a "fit and proper test" on the Bank's Directors and Senior Management.

Powers/Responsibilities and Duties of Directors

The duties of care and loyalty are the two key elements of the fiduciary duty of the Board. The duty of care requires the members of the Board to act on a fully informed basis, in good faith, with due diligence and care, while, the duty of loyalty is where the Board members should act in the best interest of the Bank and all its stakeholder, such as the depositors, creditors, employees and regulators.

a. Powers of the Board of Directors. The corporate powers of the Bank shall be exercised, its business conducted, and all its property shall be controlled and held by the Board of Directors. The powers of the Board of Directors as conferred by law are original and cannot be revoked by the stockholders. The Directors hold their office charged with the duty to exercise sound and objective judgment for the best interest of the Bank.

b. General responsibility of the Board of Directors. The position of a bank director is a position of trust. A director assumes certain responsibilities to different constituencies or stakeholders, i.e., the Bank itself, its stockholders, its depositors and other creditors, its management and employees, the regulators, deposit insurer and the public at large. These constituencies or stakeholders have the right to expect that the institution is being run in a prudent and sound manner. The Board of Directors is primarily responsible for approving and overseeing the implementation of the Bank's strategic objectives, risk strategy, corporate governance and corporate values. Further, the Board of Directors is also responsible for monitoring and overseeing the performance of Senior Management as the latter manages the day-to-day affairs of the institution.

c. Specific duties and responsibilities of the Board of Directors

- To define the Bank's corporate culture and values.
- To approve Bank's objectives and strategies and oversee management's implementation thereof.
- To appoint/select key members of Senior Management and heads of control functions and for the approval of a sound remuneration and other incentive policies for personnel.
- To approve and oversee implementation of the Bank's corporate governance framework.
- To approve the Bank's risk governance framework and oversee management's implementation thereof.
- To approve and oversee the implementation of policies governing major areas of banking operations.
- To consistently conduct the affairs of the institution with a high degree of integrity.
- To constitute committees to increase efficiency and allow deeper focus in specific areas.

Duties and Responsibilities of the Chairperson of the Board of Directors

The duties and responsibilities of the Chairperson include, among others, the following:

a. To provide leadership in the Board of Directors. The Chairperson of the Board shall ensure the effective functioning of the Board, including maintaining a relationship of trust with Board members.

b. To ensure that the board takes an informed decision. The Chairperson of the Board shall ensure a sound decision-making process and he should encourage and promote critical discussion and ensure that dissenting views can be expressed and discussed within the decision-making process. In relation to this, the chairperson shall guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

Specific Duties and Responsibilities of a Director

a. To remain fit and proper for the position for the duration of his term. A director is expected to remain fit and proper for the position for the duration of his term. He should possess unquestionable credibility to make decisions objectively and resist undue influence. He shall treat Board Directorship as a profession and shall have a clear understanding of his duties and responsibilities as well as his role in promoting good governance. Hence, he shall maintain his professional integrity and continuously seek to enhance his skills, knowledge and understanding of the activities that the Bank is engaged in or intends to pursue as well as the developments in the banking industry including regulatory changes through continuing education or training.

b. To conduct fair business transactions with the Bank and to ensure that personal interest does not bias Board decisions. Directors should avoid situations that would give rise to a conflict of interest. If transactions with the institutions cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. The basic principle to be observed is that a director should not use his position to make a profit or to acquire benefit or advantage for himself and/or his related interests. He should avoid situations that would compromise his impartiality.

c. To act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public. A director must always act in good faith, with the care which an ordinarily prudent man would exercise under similar circumstances. While a director should always strive to promote the interest of all stockholders, he should also give due regard to the rights and interests of other stakeholders.

d. To devote time and attention necessary to properly discharge their duties and responsibilities. Directors should devote sufficient time to familiarize themselves with the institution's business. They must be constantly aware of the institution's condition and be knowledgeable enough to contribute meaningfully to the Board's work. They must attend and actively participate in board and committee meetings, request and review meeting materials, ask questions, and request explanations. If a person cannot give sufficient time and attention to the affairs of the institution, he should neither accept his nomination nor run for election as member of the Board.

e. To act judiciously. Before deciding on any matter brought before the Board of Directors, every director should thoroughly evaluate the issues, ask questions and seek clarifications when necessary.

f. To contribute significantly to the decision-making process of the Board. Directors should actively participate and exercise objective independent judgment on corporate affairs requiring the decision or approval of such Board.

g. To exercise independent judgment. A director should view each problem/situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollary, he should support plans and ideas that he thinks will be beneficial to the institution.

h. To have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of its articles of incorporation and by-laws, the requirements of the BSP and where applicable, the requirements of other regulatory agencies. A director should also keep himself informed of industry developments and business trends in order to safeguard the institution's competitiveness.

i. To observe confidentiality. Directors must observe the confidentiality of non-public information acquired by reason of their position as directors.

Board and Committee Performance Evaluation

The Board conducts an annual assessment of its performance and effectiveness as a body, as well as its various committees, and the individual directors through self-assessment. The results thereof are reported to the Board through the Corporate Governance Committee. This exercise covers the assessment of the ongoing suitability of each board member taking into account his or her performance in the Board and board-level committees.

In 2025, there are no significant deviations noted and, in general, the Bank has complied with the provisions and requirements of the MORB and the Bank's Corporate Governance Manual.

Corporate Governance Manual

The Corporate Governance Manual contains the governance principles and policies that serves as a guide/reference in complying with regulations. The manual formalizes and institutionalizes the principles of good corporate governance in the Bank.

In furtherance of its responsibilities under the Manual and Corporate Governance Charter, the Corporate Governance Committee reviewed and approved the following:

a. Revised Corporate Governance Manual;
b. Amended Corporate Governance Charter; and
c. Updated Board and board-level committees' Self-Assessment Questionnaires.

Compliance Risk Management System

The compliance risk management system is designed to specifically identify and mitigate risks that may erode the franchise value of the Bank such as risks of legal or regulatory sanctions, material financial loss, or loss to reputation, the Bank may suffer as a result of its failure to comply with laws, rules, related self-regulatory organization standards, and codes of conduct applicable to its activities.

It is the method by which the Bank manages the compliance process. It consists of rules, policies and procedures which provide assurance for an effective compliance culture in the Bank. The Bank's compliance system includes compliance policies and procedures which provide the framework for the bank's compliance processes as source of reference of all stakeholders, the Board of Directors, officers and employees.

Compliance risk management is an integral part of the culture and risk governance framework of the Bank. Compliance is a responsibility and shared accountability of all personnel, officers, and the Board of Directors.

The Compliance System of the Bank was established pursuant to the regulatory mandate of the BSP and SEC. It is carried out through a Board-approved Compliance Program by the Compliance Division, which reports directly to the Corporate Governance Committee. Compliance Division oversees the implementation of the Compliance Program, and is responsible for, among others, (i) identification of all relevant laws and regulations applicable to the activities and business of the Bank, and monitoring and controlling of attendant compliance risks, (ii) creating awareness on all banking laws and regulations among Bank employees with dissemination of all regulatory issuances and regular trainings; (iii) regular compliance testing of all Bank activities and products; (iv) assessment of the Bank's adherence to policies related to the management of E&S risks and evaluation of the robustness and continuing relevance of said policies; and (v) liaise and dialogue with BSP and other government regulatory agencies.

Bank Compliance Framework

The Bank's Compliance Framework was established to implement a strong compliance system. The Bank employs a triple level approach for observing laws and regulation.

- 1st level - Employee participation (compliance with the relevant regulations)
- 2nd level - Compliance Division (implementation of the compliance program)
- 3rd level - Internal Audit Department (post audit)

The Compliance Division, in particular, has an approved manpower count of 21 members including the CCO, Deputy Division Head, Department Heads for AML Compliance Department, Compliance Testing Department, and Regulatory and Corporate Governance Department including a total of 16 Compliance Officers. Unit Compliance Coordinators are assigned on each unit of the Bank to help the compliance office perform the monitoring and testing functions.

Compliance Program

The compliance program includes an annual plan that should ensure that the bank's compliance system is effectively running and in place, rules and regulations are adhered to, taking into account the risks involved for the protection of its clients, bank's reputation, its employees, business efforts and strategies.

Components of the Compliance Program

1. Review and implementation of specific policies and procedures
2. Compliance risk assessment
3. Compliance testing
4. Educating personnel on compliance matters
5. Monitoring compliance risk exposures
6. Regular reporting to the board and board-level committees

Testing and Reporting

Compliance Division conducts its regular compliance testing in accordance with the approved Compliance Testing Plan. The basis of the Compliance Testing Plan is the result of the latest risk assessment of business units. The risk profile is used as guide of Compliance Division in the prioritization of a unit/branch to be included in the annual Compliance Testing Plan.

All bank compliance issues and concerns, including results of compliance testing and internal audit, BSP examinations results, implementation of internal control policies, and all other issues monitored by the BSP are reported to the CGCOM every other month. The Members of the CGCOM, on the other hand, provide guidance on the effectiveness of all actions taken/to be taken.

Anti-Money Laundering Prevention

The Bank adheres to the Anti-Money Laundering Act and all related and applicable rules, regulations and issuances of the BSP. The Bank commits to protect and preserve the integrity and confidentiality of its customers' accounts and shall not allow them to be used as money laundering site for the proceeds of unlawful activity.

The Bank has in place a board-approved Money Laundering and Terrorist Prevention Program (MTPP) which contains and consolidates all laws and regulations on anti-money laundering, such as, know-your-client (KYC) requirements, monitoring of accounts and transactions, training of all officers and employees on AML laws and regulations and other relevant information. The MTPP manual is updated on an annual basis using the most recent updates on the applicable rules, regulations and issuances of the BSP.

Dissemination of laws and regulations is regularly made to all officers and employees of the Bank to equip them with necessary knowledge and information to combat money laundering activities. AML trainings are regularly given during orientation sessions of new employees and refresher courses are regularly conducted.

Conflict of Interest

Conflict between the interest of the Bank, of the employees and related parties should be avoided at all times. In cases of conflict, the interest of the Bank should prevail. Our Directors, Officers, Stockholders and related parties are not allowed to have direct or indirect financial interests that conflict or appear to conflict with their duties and responsibilities as employees of the Bank.

In this regard, the Directors and/or Officers concerned shall disclose any direct, indirect or on behalf of third parties, a financial interest in the transaction or matter affecting the Bank.

Directors and/or officers with personal interest, related or any form of connection which may potentially result to a conflict of interest in the transaction shall abstain from the discussion, deliberation, approval and management of such transaction or matter affecting the Bank.

Code of Ethics

CBS is committed to carry out its business operations in accordance with the highest standards of ethics. The Bank, as a whole, together with the members of the Board of Directors, stakeholders, and all employees are dedicated in ensuring that they abide by the acceptable rules and regulations which dictate its operations.

The Code of Ethics is founded on basic standards and ethical business and personal conduct, including honesty and candor in all activities, avoidance of activities and transactions that could result or potentially result in conflicts between personal and the Bank's interest, maintenance of the Bank's reputation, avoidance of personal gain at the expense of the institution, and conduct contrary to ethical business practices. The Code also embodies policies that will prevent fraud, or the use of the facilities of the Bank in the furtherance of any unlawful or immoral pursuit. In all activities and decisions, one must consider the ethics or propriety of every situation, full transparency and be beyond reproach.

Related Party Transactions

The Bank recognizes that transactions between and among related parties may create financial, commercial and economic benefits to individuals, institutions and to the entire group where the Bank belongs.

In this regard, as required by existing regulations for related party transaction (RPT), the Bank, its Board, management, all officers and staff ensure that RPTs are done on an arm's length basis and that the appropriate oversight and implementation of an effective control system for the management of exposures are in place.

Therefore, the Bank's Board of Directors, management, officers and staff are mandated to comply with the board-approved policies in the CBC Group RPT Framework (RPT Framework or Framework) and shall not allow RPTs that may lead to abuses or may cause disadvantages to the Bank, its depositors, creditors, fiduciary clients, and other stakeholders.

The RPT Framework was approved by the Board on July 21, 2016 and revised on October 2, 2019. The Framework is supported by CBS RPT policy and guidelines which was approved by the Board on January 17, 2019 and was revised to incorporate latest regulatory updates which was approved by the Related Party Transactions Committee on June 06, 2024 and ratified by the Board on July 18, 2024.

Overarching Policies and Procedures for Managing Related Party Transactions

The Bank's Policy on Related Party Transactions applies to all covered RPT of the Bank, regardless of the amount, and the Bank has set specific procedures and guidelines in managing the Bank's RPTs.

Related Party Transactions are transactions or dealings with related parties of the Bank, regardless of whether or not a price is charged. These include, but not limited to the following:

a. On-and-off balance sheet credit exposures and claims and write-offs;
b. Investment and/ or subscription for debt/ equity issuances;
c. Consulting, professional, agency and other service arrangements/ contracts;
d. Purchase and sales of assets, including transfer of technology an intangible item;
e. Construction arrangements/ contracts;
f. Lease arrangements/ contracts;
g. Trading and derivative transactions;
h. Borrowings, commitments, fund transfer and guarantees;
i. Sale, purchase or supply of any goods or materials; and
j. Establishment of joint venture entities

RPTs shall be conducted at an arm's length terms to ensure that the transaction is conducted in the regular course of business; and not undertaken on more favourable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement, etc.) to such related parties covering similar transactions with non-related parties under similar circumstances.

The concept of arm's length terms is to ensure that both parties in the transaction are acting in their own self-interest and are not subject to any pressure from the other. It ensures that parties to transaction are on equal footing. It is used specifically in the contract law to make an equitable agreement which stands up to legal scrutiny, even though parties may be closely related or may have shared interest.

In this regard, to ensure that transactions are engaged into at terms that promote the best interest of the Bank and its stakeholders, an effective Price Discovery Mechanism should be implemented.

Related Party Transaction Committee

The committee is responsible for the following, among others:

1. Evaluating on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified.
2. Evaluating all material RPTs
3. Ensuring that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the bank's RPT exposure, and policies on conflicts of interest or potential conflicts of interest.
4. Reporting to the Board of Directors on a regular basis, the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties.
5. Ensuring that transactions with Related Parties, including write-off of exposures, are subject to periodic independent review or audit process; and
6. Overseeing the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including the periodic review of RPT policies and procedures.

Materiality Threshold

The business units (BUs) shall identify if transactions are classified as material RPTs based on the following criteria:

- If the parties and relationship of parties involved in the transaction are classified as RPs, as defined in the policy; and
- If the amount of transaction is equal or higher than the materiality threshold set by the Bank.

The materiality threshold shall be retained unless the responsible units send a change request. An email shall be sent by the BU Head to Compliance Division on the change of materiality threshold stating the proposed/recommended threshold and justification for changing the same.

A. Approval Requirements of Material RPTs

   All material RPTs shall be endorsed to the RPT Committee using the prescribed forms and approved by the Board of Directors.

   All board-approved material RPT shall be ratified by the Stockholders (by majority vote) during the Annual Stockholders' Meeting.

B. Approval Requirements of Non-material RPTs

All non-material RPTs shall follow the existing approval requirements of the respective business unit transactions.

C. For credit transactions to DOSRI, approval by the Board of Directors shall be required.

Corporate Safety and Health Committee (CSHC): Protecting Our People, Strengthening Our Resilience

At CBS, safety and health are not just compliance requirements – they are essential to how we protect our people, sustain daily operations, and deliver service with confidence. The Corporate Safety and Health Committee (CSHC) helps embed this culture of care across the Bank by anticipating risks, issuing timely guidance, building employee capability, and reinforcing safe workplace practices.

Objectives of the CSHC

The CSHC is guided by three core objectives:

1. **Plan, develop, and implement** policies and programs on employee safety and health;

2. **Monitor and investigate** workplace safety and health matters aligned with established environmental, safety, and health rules and practices; and

3. **Ensure employee protection** against injuries, illnesses, and workplace hazards.

2025 Highlights: Visible, Practical, and Bank-Wide

Throughout 2025, the CSHC strengthened employee protection through consistent, actionable initiatives that were easy to follow and widely communicated:

- **Proactive advisories and real-time guidance.** Using CBS Community and internal communication channels, the CSHC issued timely, situation-specific advisories on severe weather and environmental risks – reinforcing a safety-first mindset, clear do's and don'ts, and practical preparedness actions for both office-based and field personnel.

- **Health, hygiene, and preventive practices.** The Committee sustained continuous reminders that reduce everyday workplace health risks – promoting proper hygiene habits and reinforcing personal responsibility to prevent illness transmission in the workplace.

- **Capability-building through life-saving training.** In partnership with the Philippine Red Cross, the CSHC supported **Occupational First Aid and Basic Life Support (BLS) training with CPR/AED certification** for Head Office and branch employees – equipping employees with critical skills to respond effectively during emergencies.

- **Stronger workplace safety compliance.** The CSHC reinforced safe workplace practices through clear guidance on facility safety controls, including food warming and appliance-use restrictions that help reduce fire, electrical, and sanitation risks.

- **Wellness and community engagement.** Health and safety were advanced not only inside the workplace but also through initiatives that encourage employee participation in life-saving community efforts, strengthening solidarity, and social responsibility.

Why the CSHC matters

The CSHC helps ensure that safety stays front and center – from major weather disruptions and emerging health concerns to everyday workplace practices. By keeping employees informed, trained, and protected, the Committee reinforces a resilient work environment where our people can perform at their best – because at CBS, protecting people is integral to protecting the business.

Performance Assessment Program

The Bank has a Performance Management System (PMS), a vital tool for aligning individual performance with the Bank's strategic direction and operational business plans. It is an integrated process by which the organization involves its employees in improving organizational effectiveness towards the accomplishment of its mission and strategic goals.

Orientation and Education Program

The Bank has a CBS Academy that serves as the central facility for training and development of the Bank's professionals in line with the Easy Banking for You service promise of the Bank. CBS Academy boasts a full-scale mock-up CBS branch, a lecture hall and several conference rooms.

The CBS Academy boosted the efforts of the Bank's Human Resources Division in delivering a high level of professional training and banking skills to help each one of the CBS employees optimize his/ her full potential. It is imperative that such a dedicated facility is available to bring everyone under one roof to deliver greater efficiency and to meet the competency, training and developmental needs of the Bank's employees at all levels that will help them grow and contribute within the Bank's overall framework.

With the continuing and growing footprint of CBS in the banking industry, the CBS Academy plays a very central and crucial role. In today's dynamic environment, it is essential that the Bank continues to keep abreast of the latest trends and developments in the financial services world. CBS owes it to its customers, who put their trust in the Bank. Knowledge, skills, and attitude assimilation is a very important aspect of ensuring the continuing competitiveness of any financial institution. The Bank looks upon its people as one of its key stakeholders, and investing in their personal development is integral to the Bank's corporate responsibility.

CBS Academy is committed to systematically improve the competency and quality of our workforce by providing a meaningful and value-added certification program – whether for personal or professional development. These certification programs include Certification on Banking Fundamentals, Certification on Revenue Generation, Certification on Branch Banking, Certification on Support and Operations, and Certification on Credit and Collections. This strength should then be translated into results which will lead to improved employee productivity and increased revenues. In addition to expanding their knowledge base and skills, these certification programs enable its workforce to enhance their career development prospects. It is of great importance though that the Bank ensures that the Training Academy remains current and relevant. The Bank will ensure that they are perfectly aligned to the Bank's strategy and business needs, as well as in synch with emerging regulatory requirements.

Retirement and Succession Policy

The Bank believes that excellent leadership talent positively contributes to the overall organizational performance. The Bank implements and maintains a Succession Planning and Management Program that ensures the availability of qualified officers for key positions for the entire life of the organization.

I. Retirement Policy

The Retirement Plan provides eligibility based on age and length of service. Employees who reach sixty (60) years of age and have completed at least ten (10) years of continuous service qualify for Normal Retirement. Those who meet these requirements retire effective at the end of the month of their 60th birthday.

An Early Retirement option is also available for employees aged fifty (50) who have rendered at least ten (10) years of service. Employees who choose this option receive benefits in accordance with the Retirement Plan.

II. Succession Management

a. Board of Directors – any vacancy, except those caused by removal by the stockholders or by expiration of term, may be filled by election or appointment by the remaining Directors, if still constituting a quorum. If there is no quorum, the vacancy must be filled by the stockholders owning and/or representing majority of the subscribed capital stock at a special meeting duly called for the purpose.

b. Chairman of the Board – vacancy will be temporarily filled up by the Vice Chairman, until such time the Board of Directors elects a successor who will hold office for the unexpired term. In the absence or inability of both the Chairman and the Vice Chairman, the President shall preside the meeting of the Board in order not to hold up important matters requiring the action of the Board, and in which case the decision on all matters to be considered must be unanimous.

c. Vice Chairman – it will be filled by a successor in the same manner the position of Chairman is filled. The successor will serve and hold office for the unexpired term.

d. President/Chief Executive Officer – will be temporarily filled by the next most ranking officer, who will act as Officer-in-Charge until such time that the Board of Directors, by majority vote, elects a successor who will hold office for the unexpired term.

e. Corporate Secretary – the Assistant Corporate Secretary, if any, or if none, the Chief Legal Counsel, will temporarily assume the position until such time the Board of Directors appoints a successor.

f. Treasurer – will be temporarily filled by the next ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

g. Internal Auditor – will be temporarily filled by the Assistant Auditor or the next most senior ranking officer in the Internal Audit Department, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

h. Operations Group Head – will be temporarily filled by the next most senior ranking officer in the Group, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

i. Risk Officer - will be temporarily filled by the next most senior ranking officer in the Risk Management Division, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

j. Compliance Officer - will be temporarily filled by the Assistant Compliance Officer or the next most senior ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

k. Chief Legal Counsel - will be temporarily filled by the next most senior ranking Legal Officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

l. Other Group/Division Heads - will be temporarily filled by the next most senior ranking officer, who will act as Officer-in-Charge, until such time the Board of Directors appoints a successor.

Remuneration Policy

The Bank grants annual salary increases to its officers in accordance with its Pay for Performance policy. The increases are given in the form of merit increases which vary depending on the officers' performance rating and corporate rank for the given year. On top of the regular bonuses, CBS officers are entitled to a performance bonus based on their previous year's performance rating. On a continuing and regular basis, the Bank, through its Senior Management evaluates recommendations of various Division/Department Heads for the promotion of their subordinate officers to the following corporate rank. Those whose promotions are approved are given promotion increase in salary in addition to the corresponding improvements in their fringe benefits package.

Dividend Policy

In accordance with the Amended By-Laws of the Bank, dividends shall be declared and paid out of surplus and/or net profits of the Bank, after allocating the percentage of the net profits, as often and such time as the Board of Directors may determine and in accordance with the provisions of law and the regulations of the BSP. There were no dividends declared in 2025 and 2024.

Consumer Welfare Protection

The Board of Directors is ultimately responsible in ensuring that consumer protection practices are embedded in the Bank's operations. The Bank adheres to the highest standards and embraces a culture of fair and responsible dealings in the conduct of its business.

The Board and Senior Management are responsible for the Bank's protection strategy and establishing an effective oversight function over the Bank's consumer protection programs. The Board is primarily responsible for approving and overseeing the implementation of the consumer protection policies of the Bank.

The Bank subscribes to the perspective that creating a positive customer experience and performing excellent customer service means managing customer expectations and delivering what is promised, in a manner that manifests its mission that is: "We understand the needs of our customers, thus, we provide value-enhancing, customer-driven solutions through their preferred channels" and one of its core values on Customer Service Focus: "We value our relationships with all our stakeholders."

The Bank undertakes to manage customer expectations and resolve complaints within the bounds of pertinent policies and guidelines. It endeavors to institute appropriate actions to continuously improve or minimize, if not, prevent the recurrence of complaints.

China Bank Savings has a functioning Consumer Protection Risk Management System (CPRMS), administered by the Customer Experience Management Department in cooperation with the entire Bank; to identify, measure, monitor, and control consumer protection risks inherent in its operations. These include both risks to the financial consumers and the Bank.

Independent of the compliance function, the Audit Division reviews the Bank's consumer protection practices, adherence to internal policies and procedures, and compliance with existing laws, rules and regulations. The Bank's internal audit of the different business units/functions includes the Consumer Protection Audit Program.

The Human Resources Division, the Customer Experience Management Department, and respective business units ensure that all relevant personnel specifically those whose roles and responsibilities have customer interface, receive specific and comprehensive training that reinforces and helps implement written policies and procedures on consumer protection. The training program should be able to address changes in consumer protection laws, rules and regulations and policies and procedures should be provided in a timely manner.

The Bank increased its awareness and adherence to the Consumer Act of the Philippines and such other regulations promoting consumer protection. As part of its intensified drive for a positive customer experience and excellent customer service, the Service Quality and Assurance Committee (ServCom) meets on a quarterly basis not only to address complaints but to dynamically reposition the Bank to meet customer expectation.

Conformably with BSP Circular No. 1160, in relation to consumer protection, the Bank continues to track the significant statistics on customer concerns.

The Sustaining Achievable Goal as one (SAG1) principle of Teamwork, Accountability & Unity, and Self-Improvement are also part of the Bank's efforts to ensure the highest Customer Service and Consumer Welfare standards for all CBS clients.

Sustainability Governance

The Board of Directors, through the Sustainability Sub-Committee under its Risk Oversight Committee (ROC), has the overall oversight of CBS sustainability initiatives as it sets the strategic E&S objectives of the bank by formulating CBS E&S Risk Appetite Statement, and monitoring the E&S risks identified and assessed by its own ESRM Framework, which is reported on a semi-annual basis.

CBS also have another Sustainability Sub-Committee under its Management-level Credit, Collections, and Asset Recovery Committee (CRECOM), which sets targets for its credit operations, covering its short, medium, and long-term horizons and integrate the principles into its lending operations. The sub-committee's responsibility also covers all sustainability partnerships of the bank, review of its annual sustainability report and ensure that its sustainable finance practices are in line with the Parent Bank's Sustainable Finance Framework.

The Sustainability Department is responsible for the day-to-day management of all sustainability-related programs and activities across CBS, developing and implementing strategies aligned with its vision, mission, and core values, and disseminating new regulations or developments within the bank.

Sustainability Strategy

CBS aims to embed sustainability not only through its own operations and lending practices, but also in guiding its borrowers on ESG readiness and climate resiliency. CBS believes that its entire value chain should be involved and promote sustainability as they would eventually have potential impact on the bank.

This approach is evident in CBS's desire to espouse financial readiness in the communities it serves amid the increasingly extreme circumstances caused by climate change:

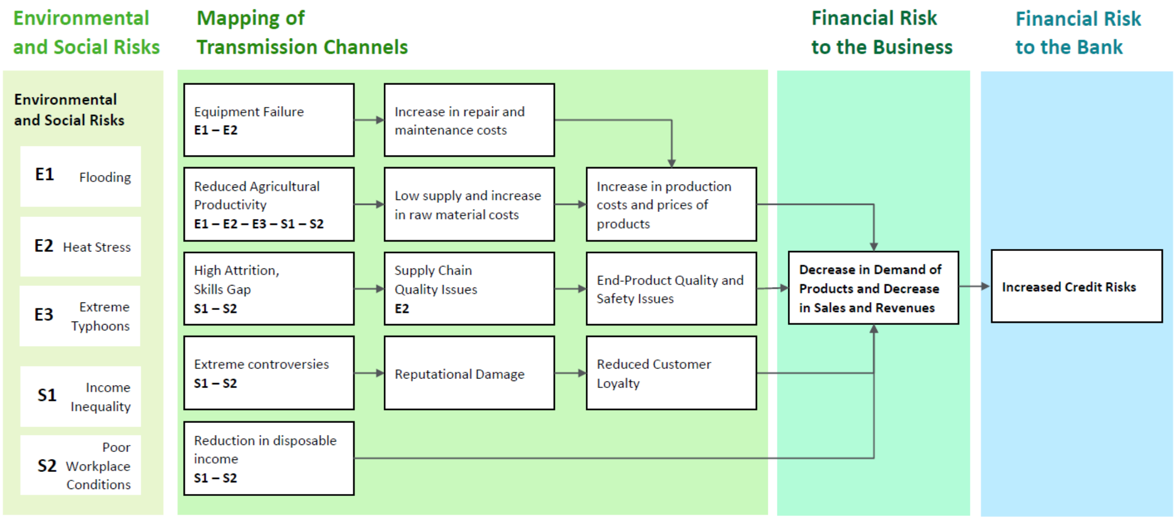
- Through its own ESRM Framework, CBS was able to identify, measure, manage, and monitor the potential E&S risk of its loan exposures and branches.
- It has also partnered with Deloitte to develop an E&S Resilience Tool, aimed to provide SME businesses with tailored recommendations addressing their specific vulnerabilities.

Risk Management

CBS is cognizant of the profound impact of E&S risks to its exposures, operations, and stakeholders. As such, the management of E&S risks is integrated into its core business with a design not only to mitigate the risks, but also to harness any potential opportunities that are aligned with its objective of being a sustainable thrift bank.

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

The graph below, shows the concept of CBS' ESRM Framework:



As of the end of December 2025, the E&S Risk profile of its loan portfolio is as follows:

INDUSTRY	ENV.	SOCIAL	LOANS AND RECEIVABLES	OTHER FINANCIAL ASSETS	OFF-BALANCE EXPOSURE
			In Percentage (%)		
Consumer	🟨	🟨	65	2	-
Real Estate, Renting, and Business Services	🟨	🟨	25	1	9
Government	-	-	-	87	-
Wholesale and Retail Trade	🟨	🟨	2	0	12
Financial Intermediaries	🟩	🟨	0	6	0
Agriculture	🟩	🟩	3	0	6
Manufacturing	🟨	🟨	1	0	10
Electricity, Gas, Steam, and Air-Conditioning Supply	🟨	🟨	1	0	0
Transportation and Storage	🟨	🟨	1	0	1
Construction	🟨	🟨	1	0	3
Health and Social Work	🟨	🟩	1	0	-
Hotels and Restaurant	🟨	🟥	0	0	-

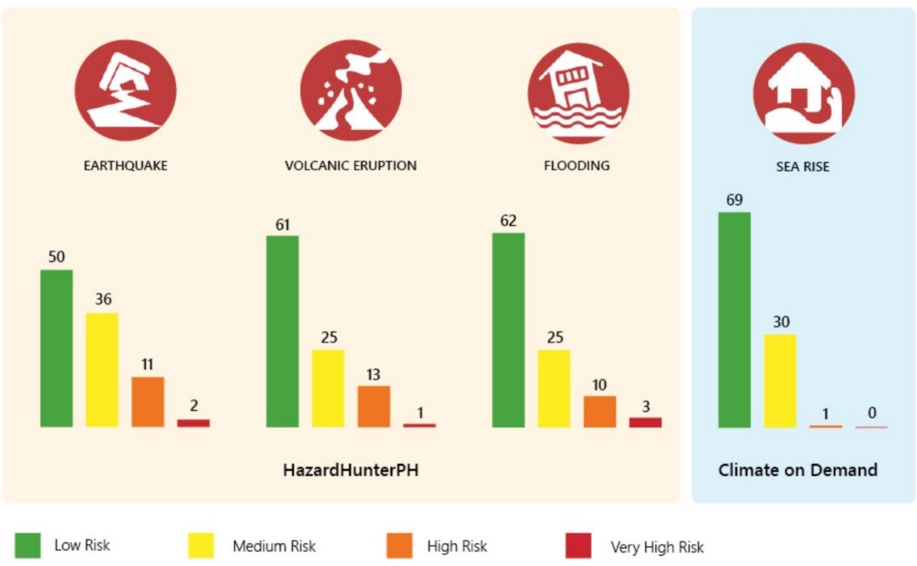
Education	🟨	🟩	0	0	3
Other Community, Social, and Personal Services	🟨	🟥	0	0	-
Others	🟨	🟨	0	3	56

SYMBOL	RISK LEVEL	DESCRIPTION
🟩	Low Risk	Minimal E&S impact; high alignment with sustainability standards.
🟨	Moderate Risk	Manageable E&S risks; subject to regular monitoring and due diligence.
🟥	High Risk	Significant potential for E&S impact; requires enhanced mitigation and board-level oversight.

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

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

The CBS Risk Management Division conducted a comprehensive assessment to evaluate the potential exposure of offices, branches, and lending centers to various natural hazards. Utilizing HazardHunterPH, analysis was conducted on threats such as earthquakes, volcanic eruptions, flooding, and tsunamis to better understand and mitigate the environmental risks associated with operations.



PART V. EXHIBITS AND SCHEDULES

Item 14. EXHIBITS AND REPORTS

(a) Reports on SEC Form 17-C

(b) Exhibits

Exhibit 1	Statement of Management's Responsibility for Financial Statements
Exhibit 2	Audited Financial Statements as of December 31, 2025 and 2024
Exhibit 3	Supplementary Schedules
a	Independent Auditors' Report on Supplementary Schedules
b	Schedules Required under Securities Regulation Code Rule 68

Reports on SEC Form 17-C

The following reports have been submitted by the bank during the year 2025 under SEC Form 17C.

	REPORT	DATE REPORTED
1	**Board Meeting – 16 January 2025** I. BD 01-01.16.2025-12 approving the Recall of the Interlocking Appointment of Mr. Jose L. Osmeña, Jr. with China Bank Savings, Inc., as Director. II. BD 01-01.16.2025-13 approving the Recall of Interlocking Appointment of Mr. Aloysius C. Alday, Jr. with China Bank Savings, Inc., as Non-Director ExCom Member. III. BD 01-01.16.2025-14 approving the Interlocking Appointment of Mr. Aloysius C. Alday, Jr. with China Bank Savings, Inc., as Director. IV. BD 01-01.16.2025-17 approving the Officers' Resignation for the Period of December 31, 2024 to January 16, 2025 which included FVPII Jaydee P. Caparas, Special Project Officer of Retail Banking Group. V. BD 01-01.16.2025-18 approving and noting the Retirement of Mr. Raymond C. Apo effective January 01, 2025.	**January 20, 2025**
2	**Board Meeting – 20 February 2025** I. BD 02-02.20.2025-09 ratifying ExCom Resolution No. EC 04-02.13.2024-12 approving the request for authority to open Bank Branches, APD Branch Lite Units and Lending Centers during local holidays and special (non-working) days. II. BD 02-02.20.2025-09 ratifying ExCom Resolution No. EC 04-02.13.2024-07 approving the application for Two (2) New Licenses to Establish CBS Branches in Cagayan de Oro, Misamis Oriental (Region X-Northern Mindanao) and Ormoc City, Leyte. III. BD 02-02.20.2025-16 approving the appointment of Ms. Colleen Rosemarie B. Reyes as the Officer-in-Charge (OIC) of the Risk Management Division (RMD) effective 1 January 2025, and approval of the further requests for her signing authority as RMD-OIC and her additional duties to oversee the Market and Liquidity Risk Department and Operational Risk Department on top of her function as Credit Risk Department Head.	**February 21, 2025**

3	**Board Meeting – 20 March 2025** I. BD 03-03.20.2025-13 approving the setting of the Bank's Annual Stockholders' Meeting to 19 June 2025 at 9:00 in the morning. II. BD 03-03.20.2025-20 approving the Appointment of Mr. Jan Nikolai M. Lim as full-fledged Head of Retail Banking Group (RBG). III. BD 03-03.20.2025-21 approving the Appointment of Ms. Kristine Michele C. Broadhurst as full-fledged Head of Consumer Lending Group (CLG). IV. BD 03-03.20.2025-22 approving the Recall of Secondment Appointment of Mr. Jaydee P. Caparas as Special Projects Officer of China Banking Corporation.	**March 21, 2025**

<table>
<tr>
<td>4</td>
<td>Board Meeting – 29 April 2025

I. BD 04-04.29.2025-13 approving the Endorsement of Nominations to the Board of Directors of China Bank Savings, Inc. (CBSI)
<table>
<tr><th><u>Nominees for Re-election as Directors</u></th><th><u>Nominator</u></th></tr>
<tr><td>Mr. Ricardo R. Chua</td><td>Mr. Romeo D. Uyan, Jr., China Banking Corp.</td></tr>
<tr><td>Mrs. Nancy D. Yang</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. James Christian T. Dee</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Romeo D. Uyan, Jr.</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Patrick D. Cheng</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Aloysius C. Alday, Jr.</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Herbert T. Sy, Jr.</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Nominees for Re-election as <u>Independent Directors</u></td><td><u>Nominator</u></td></tr>
<tr><td>Mr. Philip S. L. Tsai</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mrs. Claire Ann T. Yap</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Genaro V. Lapez</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
<tr><td>Mr. Antonio S. Espedido, Jr.</td><td>Mr. Ricardo R. Chua, China Banking Corp.</td></tr>
</table>
II. BD 04-04.29.2025-16 approving the Recommendation for Promotion of Ms. Colleen Rosemere B. Reyes, from Officer-in-Charge (OIC) to Division Head of Risk Management Division (RMD), and from Senior Manager to Assistant Vice President, effective upon Board approval.
III. BD 04-04.29.2025-07 ExCom Resolution No. EC 07-03.27.2025-02 for the approval of the Application for 3 New Branch Licenses:
a. CBS Candon City, Ilocos Sur
b. CBS Iba, Zambales
c. CBS Bacolod East, Negros Occidental</td>
<td>May 2, 2025</td>
</tr>
<tr>
<td>5</td>
<td>Board Meeting – 19 June 2025

I. BD 06-06.19.2025-10 approving the Subscription of 10,000,000 Common Shares by CBC.
II. BD 06-06.19.2025-11 approving the Increase of Five Billion Pesos (Php 5,000,000,000.00) Authorized Capital Stock or equivalent to fifty (50) million common shares.</td>
<td>June 24, 2025</td>
</tr>
</table>

<table>
<tr>
<td>6</td>
<td>
Stockholders’ and Organizational Board Meetings – 19 June 2025

Annual Stockholders’ Meeting Resolutions:
<ol type="I">
ASM RESOLUTION NO. 06.19.2025.01 approving the Minutes of the Regular Annual Stockholders’ Meeting held on June 20, 2024.
ASM RESOLUTION NO. 06.19.2025.02 approving the 2024 Annual Report.
ASM RESOLUTION NO. 06.19.2025.03 approving the Annual Audited Financial Statements for the year ended 31 December 2024.
ASM RESOLUTION NO. 06.19.2025.04 ratifying all acts and proceedings of the Board of Directors, Executive Committee, and all other Board-Level and Management-Level committees for the year 2024 including Related Party Transactions (RPTs) Reports.
ASM RESOLUTION NO. 06.19.2025.05 approving the Re-election of the following to the Board of Directors:
<table>
<tr><th>No.</th><th>Name of Director</th><th>Position</th></tr>
<tr><td>1</td><td>MR. RICARDO R. CHUA</td><td>Director, Chairman</td></tr>
<tr><td>2.</td><td>MRS. NANCY D. YANG</td><td>Director, Vice-Chairperson</td></tr>
<tr><td>3.</td><td>MR. JAMES CHRISTIAN T. DEE</td><td>President/ Director</td></tr>
<tr><td>4.</td><td>MR. ROMEO D. UYAN, JR.</td><td>Director</td></tr>
<tr><td>5.</td><td>MR. PATRICK D. CHENG</td><td>Director</td></tr>
<tr><td>6.</td><td>MR. ALOYSIUS C. ALDAY, JR.</td><td>Director</td></tr>
<tr><td>7.</td><td>MR. HERBERT T. SY, JR.</td><td>Director</td></tr>
<tr><td>8.</td><td>MR. PHILIP S. L. TSAI</td><td>Independent Director</td></tr>
<tr><td>9.</td><td>MRS. CLAIRE ANN T. YAP</td><td>Independent Director</td></tr>
<tr><td>10.</td><td>MR. GENARO V. LAPEZ</td><td>Independent Director</td></tr>
<tr><td>11.</td><td>MR. ANTONIO S. ESPEDIDO, JR.</td><td>Independent Director</td></tr>
</table>

ASM RESOLUTION NO. 06.19.2025.06 approving the Re-appointment of SyCip Gorres Velayo & Co. (SGV) as external auditor.

Organizational Board Meeting Resolutions:
<ol type="I">
BD 06-06.19.2025-01.a approving the Appointment of Board-level Committees and Compositions for the ensuing year 2025-2026.
BD 06-06.19.2025-01.b approving the Appointment of Mr. Philip S. L. Tsai as Lead Independent Director.
BD 06-06.19.2025-01.c approving the Approval of Management-level Committees and Membership for the ensuing year 2025-2026.
BD 06-06.19.2025-01.d approving the Election of Key Officers of the Bank for the Ensuing Year 2025-2026.

</td>
<td>June 24, 2025</td>
</tr>
</table>

	V. BD 06-06.19.2025-01.e approving the Reappointment of all officers with ranks of Assistant Manager (AM) and up, including interlocked and seconded Officers of China Banking Corporation (CBC), for the ensuing year 2025-2026. VI. BD 06-06.19.2025-07 ratifying the Executive Committee Resolution No. EC-12-06.13.2025-08 approving the Recommendation for Extension of Employment Atty. Corazon T. Llagas as Chief Compliance Officer.	
7	**Board Meeting – 28 August 2025** I. BD 08-08.28.2025-08 ratifying the ExCom Resolution No. EC 15-07.24.2025-08 approving the request for additional Branch Lite Unit (BLU) to be established in EDSA Grand Realty & Development Corporation, EDSA, Quezon City.	**September 2, 2025**
8	**Board Meeting – 20 November 2025** I. BD 11-11.20.2025-09 ratifying the ExCom Resolution No. EC 22-10.23.2025-04 approving the request for application for five (5) new branch licenses to establish CBS Branches in the following location: a. Montalban, Rizal b. Nasugbu, Batangas c. Gapan, Nueva Ecija d. Iligan City, Lanao Del Norte e. Lapu-Lapu, Cebu II. BD 11-11.20.2025-09 ratifying the ExCom Resolution No. EC 22-10.23.2025-05 approving the request for the upgrade of the following ten (10) Branch Lite Units to CBS branches namely: a. Valencia, Bukidnon b. San Jose, Antique c. San Francisco, Agusan del Sur d. Calapan City, Oriental Mindoro e. Isulan, Sultan Kudarat f. Cadiz, Negros Occidental g. Ipil, Zamboanga Sibugay h. Guihulngan, Negros Oriental i. San Jose, Occidental Mindoro j. La Carlota, Negros Occidental	**November 25, 2025**

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned in the City of Makati on this __ day of MAR 1 9 2026 2026.

CHINA BANK SAVINGS, INC.

By:

JAMES CHRISTIAN T. DEE
President

CHARMAINE S. HAO
Vice President I and
Treasurer

LUIS BERNARDO A. PUHAWAN
Senior Vice President and
Controller

Atty. ARTURO JOSE M. CONSTATINO III
Senior Assistant Vice President and
Corporate Secretary

SUBSCRIBED AND SWORN to before me this __ day of MAR 1 9 2026 2026 at Makati City, affiants exhibited to me their government issued identification cards, as follows:

NAME	NUMBER
James Christian T. Dee	SSS No. 33-4998867-3
Charmaine S. Hao	Passport ID No. P6588111A
Luis Bernardo A. Puhawan	Unified Multi-Purpose ID No. CRN-0033-4600510-6
Arturo Jose M. Constantino III	Passport ID No. P1283873B

Doc. No. 163;
Page No. 34;
Book No. VIII;
Series of 2026.

ATTY. JONAS CESAR C. MANGROBANG III
Notary Public Until December 31, 2026
Appointment No. M-027 (2025-2026) 12.16.2024 for Makati City
Roll No. 59531/IBP Lifetime Member No. 012384
PTR No. 10764252/01.05.2026/Makati City
MCLE Compliance No. 0014449/10-14-24
314 Sen. Gil Puyat Avenue, Makati City

Outlook

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Wed 2026-04-01 12:47
To Gil D. Nolada <gjnolada.cbs@chinabank.ph>
Cc Gil D. Nolada <gjnolada.cbs@chinabank.ph>

Hi CHINABANK SAVINGS INC,,

Valid files

- EAFS000504532TCRTY122025-03.pdf
- EAFS000504532ITRTY122025.pdf
- EAFS000504532TCRTY122025-02.pdf
- EAFS000504532TCRTY122025-01.pdf
- EAFS000504532AFSTY122025.pdf

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- <None>

Transaction Code: **AFS-0-PZP43P2N0AC79KEKQSMVSN3109H7JK568**
Submission Date/Time: **Apr 01, 2026 12:47 PM**
Company TIN: **000-504-532**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **CHINA BANK SAVINGS, INC.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company'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. (SGV & Co.), the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

RICARDO R. CHUA
Chairman of the Board

JAMES CHRISTIAN T. DEE
President

CHARMAINE S. HAO
Vice President I and Treasurer

LUIS BERNARDO A. PUHAWAN
Senior Vice President and Controller

MAR 19 2026

SUBSCRIBED AND SWORN to before me this __ day of _________ 2026 affiant(s) exhibiting to me their government-issued identification cards, as follows:

NAME	NUMBER
Ricardo R. Chua	SSS No. 03-2416389-8
James Christian T. Dee	SSS No. 33-4998867-3
Charmaine S. Hao	P6588111A
Luis Bernardo A. Puhawan	Unified Multi-Purpose ID No. CRN-0033-4600510-6

Doc. No. 161;
Page No. 34;
Book No. VIII;
Series of 2026.

ATTY. JONAS CESAR C. MANGROBANG III
Notary Public Until December 31, 2026
Appointment No. M-021 (2025-2026) 12.16.2024 for Makati City
Roll No. 59531/IBP Lifetime Member No. 012384
PTR No. 10764252/01.05.2026/Makati City
MCLE Compliance No. 0014449/10-14-24
314 Sen. Gil Puyat Avenue, Makati City

C O V E R S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	0	1	6	9	6	2

C O M P A N Y N A M E

C H I N A B A N K S A V I N G S , I N C .

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

C B S B U I L D I N G , 3 1 4 S E N . G I L P U Y A T
A V E N U E , M A K A T I C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	S E C	N / A

C O M P A N Y I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
cbs@chinabank.ph	8367-8341	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,556	3rd Thursday of June	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Luis Bernardo A. Puhawan	lbapuhawan.cbs@chinabank.ph	8988-9555	N/A

CONTACT PERSON's ADDRESS

CBS Building, 314 Sen. Gil Puyat Avenue, Makati City

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

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

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
China Bank Savings, Inc.
CBS Building, 314 Sen. Gil Puyat Avenue
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of China Bank Savings, Inc. (the Bank), a subsidiary of China Banking Corporation, which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

In connection with our audits of the 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 audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Bank'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 Bank'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 Bank 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.

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.

Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations No. 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the MORB in Note 29 and Revenue Regulations No. 15-2010 in Note 30 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of China Bank Savings, Inc. 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.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso
Partner
CPA Certificate No. 92305
Tax Identification No. 193-975-241
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 92305-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026

CHINA BANK SAVINGS, INC.
(A Subsidiary of China Banking Corporation)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Cash and Cash Equivalents (Notes 6 and 23)	**₱18,468,616,981**	₱27,129,881,265
Financial Assets at Fair Value through Profit or Loss (Note 7)	**50,807,228**	100,434,809
Financial Assets at Fair Value through Other Comprehensive Income (Note 7)	**29,055,494,828**	12,028,399,959
Investment Securities at Amortized Cost (Note 7)	**8,420,028,770**	6,827,321,051
Loans and Receivables (Note 8)	**151,774,093,718**	133,690,255,054
Non-current Assets Held for Sale (Note 9)	**752,196,061**	567,422,444
Property and Equipment (Note 10)	**1,974,883,301**	2,096,167,832
Investment Properties (Note 11)	**1,953,134,269**	1,875,111,007
Branch Licenses (Note 12)	**74,480,000**	74,480,000
Software Costs (Note 12)	**59,249,848**	53,397,982
Deferred Tax Asset (Note 22)	**1,895,345,477**	1,727,204,197
Other Assets (Notes 13 and 23)	**3,142,085,880**	2,953,106,574
	₱217,620,416,361	₱189,123,182,174
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities (Notes 15 and 23)		
Demand	**₱29,685,620,859**	₱27,679,939,125
Savings	**22,980,688,003**	22,024,151,961
Time	**139,525,654,480**	117,088,781,450
	192,191,963,342	166,792,872,536
Manager's Checks	**223,814,474**	203,678,931
Accrued Interest and Other Expenses (Note 16)	**1,264,464,917**	1,232,254,903
Income Tax Payable	**–**	503,404
Other Liabilities (Notes 16 and 24)	**2,659,384,691**	3,056,411,729
	196,339,627,424	171,285,721,503
Equity		
Capital stock (Note 18)	**12,543,579,100**	11,543,579,100
Additional paid-in capital (Note 18)	**467,549,814**	475,049,814
Other equity - stock grants (Note 18)	**17,299,450**	17,299,450
Other equity reserves (Note 27)	**(2,248,520,637)**	(2,248,520,637)
Surplus (Note 18)	**9,666,664,287**	7,307,177,302
Surplus reserves (Note 18)	**775,385,811**	726,938,142
Remeasurement gains (losses) on retirement benefit plan (Note 20)	**(48,985,275)**	31,188,724
Net unrealized gains (losses) on financial assets at fair value through other comprehensive income (Note 7)	**6,348,354**	(93,526,964)
Cumulative translation adjustment	**101,468,033**	78,275,740
	21,280,788,937	17,837,460,671
	₱217,620,416,361	₱189,123,182,174

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.
(A Subsidiary of China Banking Corporation)

STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
INTEREST INCOME			
Loans and receivables (Notes 8 and 23)	**₱14,994,335,071**	₱12,532,350,164	₱10,302,663,084
Investment securities at amortized cost and fair value through other comprehensive income (Note 7)	**1,535,271,617**	1,285,611,100	471,631,436
Due from Bangko Sentral ng Pilipinas and other banks (Notes 6 and 23)	**566,804,174**	484,857,926	807,401,467
Interbank loans receivable and securities purchased under resale agreements (Note 6)	**183,159,311**	166,663,846	169,178,245
Financial assets at fair value through profit or loss (Note 7)	**3,177,083**	3,691,493	1,363,194
	17,282,747,256	14,473,174,529	11,752,237,426
INTEREST EXPENSE			
Deposit liabilities (Notes 15 and 23)	**7,343,798,030**	6,277,739,956	4,590,910,950
Lease liabilities and other borrowings (Note 21)	**51,177,814**	61,502,069	52,254,725
	7,394,975,844	6,339,242,025	4,643,165,675
NET INTEREST INCOME	**9,887,771,412**	8,133,932,504	7,109,071,751
Service charges, fees and commissions	**423,915,185**	433,707,136	458,307,082
Gain on asset exchange - net (Notes 9 and 11)	**310,420,688**	292,609,625	379,935,234
Income from property rentals (Notes 11, 21 and 23)	**56,152,908**	56,705,284	49,862,036
Trading and securities gains - net (Note 7)	**24,858,609**	20,356,048	365,441
Miscellaneous (Note 19)	**283,929,430**	261,964,237	213,462,182
TOTAL OPERATING INCOME	**10,987,048,232**	9,199,274,834	8,211,003,726
Compensation and fringe benefits (Notes 20 and 23)	**2,167,435,123**	1,761,207,323	1,519,425,423
Provision for impairment and credit losses (Note 14)	**1,030,831,665**	773,248,903	1,015,498,571
Documentary stamp taxes	**883,499,787**	730,692,429	537,823,446
Taxes and licenses	**843,176,587**	713,190,951	636,025,917
Depreciation and amortization (Notes 10, 11 and 12)	**605,366,210**	548,758,623	489,267,845
Insurance	**499,552,513**	445,035,212	344,671,610
Security, clerical, messengerial and janitorial	**469,319,914**	374,653,618	329,390,588
Acquired asset and other litigation expenses	**329,557,876**	234,001,264	192,032,629
Transportation and travel	**216,855,548**	205,993,377	162,311,953
Occupancy costs (Note 21)	**209,823,510**	161,384,751	152,224,055
Utilities	**131,570,556**	121,061,077	113,630,855
Data processing and information technology (Note 23)	**100,544,999**	106,186,769	76,215,660
Entertainment, amusement and recreation (Note 22)	**96,499,066**	85,466,851	90,455,583
Stationery, supplies and postage	**39,320,584**	49,913,447	33,677,936
Management and other professional fees	**5,763,958**	8,055,679	7,399,915
Miscellaneous (Notes 19)	**555,129,453**	449,316,333	376,061,572
TOTAL OPERATING EXPENSES	**8,184,247,349**	6,768,166,607	6,076,113,558
INCOME BEFORE INCOME TAX	**2,802,800,883**	2,431,108,227	2,134,890,168
PROVISION FOR INCOME TAX (Note 22)	**394,866,229**	260,590,935	307,064,762
NET INCOME	**₱2,407,934,654**	₱2,170,517,292	₱1,827,825,406

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.
(A Subsidiary of China Banking Corporation)

STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
NET INCOME	**₱2,407,934,654**	₱2,170,517,292	₱1,827,825,406
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that recycle to profit or loss in subsequent periods:			
Changes in fair value of debt financial assets at fair value through other comprehensive income, net of tax (Note 7)	**103,225,738**	(35,691,437)	81,149,047
Cumulative translation adjustment	**23,192,293**	30,227,604	(31,100,015)
Items that do not recycle to profit or loss in subsequent periods:			
Changes in fair value of equity financial assets at fair value through other comprehensive income, net of tax (Note 7)	**(3,350,420)**	12,995,081	8,459,460
Remeasurement gains (losses) on retirement asset (liability), net of tax (Note 20)	**(80,173,999)**	10,330,107	(41,705,576)
	42,893,612	17,861,355	16,802,916
TOTAL COMPREHENSIVE INCOME	**₱2,450,828,266**	₱2,188,378,647	₱1,844,628,322

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.
(A Subsidiary of China Banking Corporation)

STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Other Equity - Stock Grants (Note 18)	Other Equity Reserves (Note 27)	Surplus (Note 18)	Surplus Reserves (Note 18)	Remeasurement Gains (Losses) on Retirement Benefit (Note 20)	Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 7)	Cumulative Translation Adjustment	Total Equity
Balances at January 1, 2025	**₱11,543,579,100**	**₱475,049,814**	**₱17,299,450**	**(₱2,248,520,637)**	**₱7,307,177,302**	**₱726,938,142**	**₱31,188,724**	**(₱93,526,964)**	**₱78,275,740**	**₱17,837,460,671**
Issuance of capital stock	**1,000,000,000**	**(7,500,000)**	–	–	–	–	–	–	–	**992,500,000**
Total comprehensive income (loss) for the year	–	–	–	–	**2,407,934,654**	–	**(80,173,999)**	**99,875,318**	**23,192,293**	**2,450,828,266**
Appropriation of retained earnings (Notes 18)	–	–	–	–	**(48,447,669)**	**48,447,669**	–	–	–	–
Balances at December 31, 2025	**₱12,543,579,100**	**₱467,549,814**	**₱17,299,450**	**(₱2,248,520,637)**	**₱9,666,664,287**	**₱775,385,811**	**(₱48,985,275)**	**₱6,348,354**	**₱101,468,033**	**₱21,280,788,937**
Balances at January 1, 2024	₱11,543,579,100	₱475,049,814	₱17,299,450	(₱2,248,520,637)	₱5,270,671,586	₱592,926,566	₱20,858,617	(₱70,830,608)	₱48,048,136	₱15,649,082,024
Total comprehensive income (loss) for the year	–	–	–	–	2,170,517,292	–	10,330,107	(22,696,356)	30,227,604	2,188,378,647
Appropriation of retained earnings (Notes 18)	–	–	–	–	(134,011,576)	134,011,576	–	–	–	–
Balances at December 31, 2024	₱11,543,579,100	₱475,049,814	₱17,299,450	(₱2,248,520,637)	₱7,307,177,302	₱726,938,142	₱31,188,724	(₱93,526,964)	₱78,275,740	₱17,837,460,671
Balances at January 1, 2023	₱10,543,579,100	₱485,049,814	₱17,277,400	(₱2,248,520,637)	₱3,542,263,257	₱493,509,489	₱62,564,193	(₱160,439,115)	₱79,148,151	₱12,814,431,652
Issuance of capital stock	1,000,000,000	(10,000,000)	–	–	–	–	–	–	–	990,000,000
Total comprehensive income (loss) for the year	–	–	–	–	1,827,825,406	–	(41,705,576)	89,608,507	(31,100,015)	1,844,628,322
Stock grants (Note 18)	–	–	22,050	–	–	–	–	–	–	22,050
Appropriation of retained earnings (Notes 18)	–	–	–	–	(99,417,077)	99,417,077	–	–	–	–
Balances at December 31, 2023	₱11,543,579,100	₱475,049,814	₱17,299,450	(₱2,248,520,637)	₱5,270,671,586	₱592,926,566	₱20,858,617	(₱70,830,608)	₱48,048,136	₱15,649,082,024

See accompanying Notes to Financial Statements.

CHINA BANK SAVINGS, INC.
(A Subsidiary of China Banking Corporation)

STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱2,802,800,883**	₱2,431,108,227	₱2,134,890,168
Adjustments for:			
Provision for impairment and credit losses (Note 14)	**1,030,831,665**	773,248,903	1,015,498,571
Depreciation and amortization (Notes 10, 11 and 12)	**605,366,210**	548,758,623	489,267,845
Amortization of premium (discount) on investment securities	**(470,920,303)**	(699,854,342)	12,995,821
Gain on asset exchange (Notes 9, 11 and 23)	**(310,420,687)**	(292,609,625)	(379,935,234)
Interest on lease liabilities (Note 21)	**51,147,866**	61,370,207	52,212,642
Realized trading gains on financial assets at fair value through other comprehensive income (Note 7)	**(24,858,609)**	(20,356,048)	(365,441)
Stock grants (Note 18)	**–**	–	22,050
Operating income before changes in operating assets and liabilities	**3,683,947,025**	2,801,665,945	3,324,586,422
Decrease (increase) in the amounts of:			
Financial assets at fair value through profit or loss	**49,627,581**	(49,534,733)	(50,900,076)
Loans and receivables	**(20,646,241,122)**	(25,578,695,100)	(24,568,905,021)
Other assets (Note 13)	**(140,660,233)**	(242,385,763)	(457,531,493)
Increase (decrease) in the amounts of:			
Deposit liabilities	**25,399,090,806**	29,137,641,582	29,458,341,104
Manager’s checks	**20,135,543**	(486,019,794)	435,139,172
Accrued interest and other expenses	**32,210,014**	210,560,753	378,987,053
Other liabilities (Note 16)	**(462,619,778)**	617,398,366	82,748,602
Net cash generated from operations	**7,935,489,836**	6,410,631,256	8,602,465,763
Income tax paid (Note 22)	**(544,575,373)**	(497,945,854)	(446,056,218)
Net cash provided by operating activities	**7,390,914,463**	5,912,685,402	8,156,409,545
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Financial assets at fair value through other comprehensive income	**(67,468,080,044)**	(79,533,757,836)	(10,822,787,584)
Investment securities at amortized cost	**(4,363,917,298)**	(1,053,741,820)	(934,384,243)
Property and equipment (Note 10)	**(256,537,803)**	(414,592,309)	(402,502,281)
Software costs (Note 12)	**(20,095,247)**	(17,300,392)	(7,053,232)
Proceeds from sale/maturity of:			
Financial assets at fair value through other comprehensive income	**51,013,850,000**	80,531,081,936	465,089,387
Investment securities at amortized cost	**2,808,790,000**	549,380,000	558,658,064
Non-current assets held for sale (Note 9)	**912,436,916**	608,017,849	404,923,249
Investment properties (Note 11)	**538,341,393**	739,419,501	1,094,062,530
Property and equipment (Note 10)	**4,093,172**	43,916,762	93,151,093
Net cash provided by (used in) investing activities	**(16,831,118,911)**	1,452,423,691	(9,550,843,017)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital infusion (Notes 18 and 23)	**992,500,000**	–	990,000,000
Payments of principal portion of lease liabilities (Note 21)	**(236,752,129)**	(286,796,349)	(262,454,969)
Net cash provided by (used in) investing activities	**755,747,871**	(286,796,349)	727,545,031
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**23,192,293**	50,399,274	52,237,801
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(8,661,264,284)**	7,128,712,018	(614,650,640)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**27,129,881,265**	20,001,169,247	20,615,819,887
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱18,468,616,981**	₱27,129,881,265	₱20,001,169,247

OPERATIONAL CASH FLOWS FROM INTEREST			
Interest received	**₱17,235,547,412**	₱14,286,067,890	₱11,725,492,904
Interest paid	**7,405,914,093**	6,040,597,114	4,290,525,512

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

In 2007, China Bank Savings, Inc. (CBS or the Bank) was acquired by China Banking Corporation (CBC or the Parent Bank). Following the change in its majority owners, the Bank continues to operate as a thrift bank. As of December 31, 2025 and 2024, the Bank has 175 and 170 branches, respectively.

The Bank's original Certificate of Incorporation was issued by the Philippine Securities and Exchange Commission (SEC) on May 23, 1960. The Bank reopened to the public on June 26, 1999 as a thrift bank in accordance with the Monetary Board (MB) Resolution No. 512 dated April 21, 1999. On August 20, 2009, the Board of Directors (BOD) approved the amendment of the Bank's Articles of Incorporation to extend its corporate term for another fifty (50) years, from and after May 23, 2010, the end of the original term of the Bank's corporate existence. The amendment to the Articles of Incorporation to extend the Bank's corporate term was subsequently approved by the stockholders of the Bank, who own/represent at least two thirds (2/3) of the outstanding capital stock, at the Annual Stockholders' Meeting held in October 2009. The Amended Articles of Incorporation was approved by the SEC on March 25, 2010. By virtue of Section 11 of Republic Act No. 11232 also known as the "Revised Corporation Code of the Philippines, which took effect on February 23, 2019, the Bank now has perpetual existence.

As of December 31, 2025 and 2024, CBC, the ultimate parent bank, has ownership interest in the Bank of 99.67% and 99.64%.

The registered office address of the Bank is at CBS Building, 314 Sen. Gil Puyat Avenue, Makati City.

2. Summary of Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (OCI) that have been measured at fair value and non-current assets held for sale (NCAHS) that have been measured at the lower of their carrying amount and fair value less cost to sell. All values are rounded to the nearest peso unless otherwise stated.

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

Statement of Compliance

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

Presentation of Financial Statements
The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within twelve (12) months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 17.

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

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

Consolidation
Consolidated financial statements are prepared for the same reporting year as the parent company's using consistent accounting policies. All significant intra-group balances, transactions and income and expenses resulting from intra-group transactions are eliminated in full. Subsidiaries are consolidated from the date on which control is transferred to the parent company.

Principles of control are discussed under the accounting policy on investment in subsidiaries. The subsidiaries are immaterial to the financial statements.

The accompanying financial statements are the separate financial statements of the Bank prepared for statutory filing and taxation purposes. As permitted by PFRS 10, *Consolidated Financial Statements,* the Company elected not to prepare consolidated financial statements, being a subsidiary the Bank.

The Parent Bank, a corporation incorporated in the Philippines, prepares the consolidated financial statements in accordance with PFRS Accounting Standards. The consolidated financial statements of the Parent Company and its subsidiaries may be obtained at China Bank Building, 8745 Paseo de Roxas cor. Villar St., Makati City, the Parent Company's principal place of business.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the following new accounting pronouncements and amendments which became effective as of January 1, 2025. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These changes in the accounting policies did not have any significant impact on the financial position or performance of the Bank.

- Amendments to PAS 21, *Lack of exchangeability*

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

Material Accounting Policy Information

Common Control Business Combinations
Where there are business combinations involving entities that are ultimately controlled by the same ultimate parent before and after the business combination and that the control is not transitory ("business combinations under common control"), the Bank accounts for such business combinations using pooling of interests method.

In applying the pooling of interests method, the Bank follows Philippine Interpretations Committee (PIC) Q&A No. 2012-01, *PFRS 3.2 Application of the Pooling of Interests Method for Business Combinations of Entities under Common Control in Consolidated Financial Statements*, which provides the following guidance:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity as additional paid-in capital, i.e., either as contribution or distribution of equity.
- An entity has an option for restatement or non-restatement of financial information in the consolidated financial statements for the periods prior to the date of business combination.

In applying the above guidance, the Bank has made the accounting policy choice of:

- Recognizing the assets acquired and liabilities assumed from the absorbed entity based on their respective carrying values as reported in the financial statements of the absorbed entity as of merger date and adjusted to harmonize with the accounting recognition and measurement policies of the Bank.
- Not restating the consolidated financial statements of the Bank for presentation of the merged balances for periods prior to the merger date.
- Recognizing equity reserves of the absorbed entity such as those arising from the remeasurement of financial assets at FVOCI, retirement plan and cumulative translation adjustment, based on amounts reflected in the financial statements of the absorbed entity on merger date.

Foreign Currency Translation
The financial statements are presented in Philippine peso, which is the Bank's functional currency.

Transactions and balances
The books of accounts of the RBU are maintained in Philippine peso, the RBU's functional currency, while those of the FCDU are maintained in United States (US) dollars (USD), the FCDU's functional currency. For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Bankers Association of the Philippines (BAP) closing rate at the reporting date, and foreign currency-denominated income and expenses, at the exchange rates on transaction dates.

Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities are credited to or charged against operations in the period in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU
As at the reporting date, the assets and liabilities of the FCDU are translated into the Bank's presentation currency (the Philippine Peso) at the BAP closing rate at the reporting date, and its income and expenses are translated at the BAP weighted average rate for the year.

Exchange differences arising on translation are taken directly to the statement of comprehensive income under 'Cumulative translation adjustment'. Upon actual remittance or transfer of the FCDU income to RBU, the related exchange difference arising from translation lodged under 'Cumulative translation adjustment' is recognized in the statement of income of the RBU books.

Fair Value Measurement
The Bank measures financial instruments, such as financial assets at FVOCI, at fair value at each reporting date. The fair values of financial instruments measured at amortized cost (or cost) and nonfinancial assets are disclosed in Note 4.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes 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 by the Bank. The fair value of an asset or a liability is measured 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 a financial instrument measured at fair value has a bid price and an ask price, the price within bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the 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 Bank 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 as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For purposes of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and fair value hierarchy as explained above.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, due from BSP and other banks, and securities purchased under resale agreements (SPURA) that are convertible to known amounts of cash and which have original maturities of three months or less from dates of placements and that are subject to an insignificant risk of changes in value.

Due from BSP includes the statutory reserves required by the BSP which the Bank considers as cash equivalents wherein withdrawals can be made as allowed by the BSP to meet the Bank's cash requirements.

SPURA

The Bank enters into short-term purchases of securities under resale agreements of identical securities with the BSP. Resale agreements are contracts under which a party purchases securities and resells such securities to the same selling party at a specified future date at a fixed price. The amount of advances made under resale agreements are carried as SPURA in the statement of financial position. SPURA are carried at cost. Interest earned on resale agreements is reported as 'Interest income' in the statement of income.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on settlement date. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Bank, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that such asset is delivered by the Bank. Any change in fair value of unrecognized financial asset is recognized in the statement of income for assets classified as financial assets at fair value through profit or loss (FVPL), and in equity for assets classified as financial assets at FVOCI. Deposits, amounts due from banks and customers and loans and receivables are recognized when cash is received by the Bank or advanced to the borrowers.

Initial recognition of financial instruments

Financial instruments are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of financial instruments includes transaction costs.

'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 Bank recognizes the difference between the transaction price and the fair value (a 'Day 1' difference) in the statement of income unless it qualifies for recognition as some other type of asset. 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 Bank determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification, Reclassification and Impairment of Financial Assets

Classification and measurement

The classification and measurement of financial assets is determined based on the contractual cash flow characteristics of the financial assets and business model for managing the financial assets.

As part of its classification process, the Bank assesses the contractual terms of financial assets to identify whether they meet the 'solely payments of principal and interest' (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there are repayments of principal or amortization of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregation and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- the expected frequency, value and timing of sales are also important aspects of the Bank's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model but considers such information when assessing newly originated or newly purchased financial assets going forward.

The Bank's measurement categories are described below:

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

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

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value. The amortization is included in 'Interest income' in the statement of income.

Gains or losses are recognized in the statement of income when these financial assets are derecognized or impaired, as well as through the amortization process. Gains or losses arising from disposals of these instruments are also included in 'Gains (losses) on disposal of financial assets at amortized cost' in the statement of income. The impairment based on expected credit loss is recognized in the statement of income under provision for impairment and credit losses. The effects of revaluation of foreign currency-denominated investments are recognized in the statement of income.

The Bank's financial assets at amortized cost are presented in the statement of financial position as cash and cash equivalents, investment securities at amortized cost, loans and receivables and certain accounts under other assets.

The Bank may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost.

Financial assets at FVPL
Debt instruments that neither meet the amortized cost nor the FVOCI criteria, or that meet the criteria but the Bank has chosen to designate as at FVPL at initial recognition to eliminate or significantly reduce an accounting mismatch, are classified as financial assets at FVPL. Equity investments are classified as financial assets at FVPL, unless the Bank designates an equity investment that is not held for trading as at FVOCI at initial recognition.

Financial assets at FVOCI - equity investments
At initial recognition, the Bank can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Bank for trading purposes. The Bank has designated its unquoted equity investments as at FVOCI as these are not held for trading purposes and are not intended to be sold in the foreseeable future.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in net unrealized gains (losses) on financial assets at fair value through other comprehensive income in the statement of financial position.

When the asset is disposed of, the cumulative gain or loss previously recognized in the net unrealized gains (losses) on financial assets at fair value through other comprehensive income is not reclassified to profit or loss, but is reclassified directly to 'Surplus' account. Any dividends earned on holding these equity instruments are recognized in profit or loss under 'Miscellaneous income' account.

Financial assets at FVOCI - debt investments
The Bank applies the category of debt instruments measured at FVOCI when both of the following conditions are met:

- the contractual terms of the instrument give rise, or specified dates, to cash flows that are SPPI on the principal amount outstanding; and
- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

Debt instruments at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value being recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. The ECL calculation for financial assets at FVOCI is explained in the 'Impairment of Financial Assets' section.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Reclassification
The Bank can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Bank is required to reclassify financial assets:
(i) from amortized cost to FVPL or FVOCI, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
(ii) from FVPL to amortized cost or FVOCI, if the objective of the business model changes so that the amortized cost or FVOCI criteria start to be met and the characteristic of the instrument's contractual cash flows are SPPI; and,
(iii) from amortized cost to FVOCI if the business model changes so that the objective becomes both to collect contractual cash flows and sell or from FVOCI to amortized cost if the business model becomes solely for the collection of contractual cash flows.

Reclassification of financial assets designated as at FVPL or equity financial assets at FVOCI is not permitted.

A change in business model occurs when the Bank either begins or ceases to perform an activity that is significant to its operations. A change in the objective of the Bank's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Impairment of financial assets
ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of a financial instrument.

For non-credit-impaired financial instruments:
- Stage 1 is comprised of all non-impaired financial instruments which have not experienced an SICR since initial recognition. The Bank recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all non-impaired financial instruments which have experienced an SICR since initial recognition. The Bank recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:
Financial instruments are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The ECL model requires that lifetime ECL be recognized for credit-impaired financial instruments.

Refer to Note 5 for the Bank's ECL methodology.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Bank 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 Bank has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred control over the asset.

Where the Bank 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 asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognizes an associated liability. The transferred asset and associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

The transfer of risks and rewards is evaluated by comparing the Bank's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The Bank has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer (e.g., because the entity has sold a financial asset subject to an agreement to buy it back at a fixed price or the sole price plus a lender's return).

The Bank has transferred substantially all the risks and rewards of ownership of a financial asset if its exposure to such variability is no longer significant in relation to the total variability in the present value of the future net cash flows associated with the financial asset (e.g., because the entity has sold a financial asset subject only to an option to buy it back at its fair value at the time of repurchase or has transferred fully proportionate share of the cash flows from a larger financial asset in an agreement).

Whether the Bank has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the entity has not retained control.

Modification of financial assets

The Bank derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference between its carrying amount and the fair value of the new asset recognized as a derecognition gain or loss in profit or loss, to the extent that an impairment loss has not already been recorded.

The Bank considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Bank considers the following factors, among others:

- introduction of an equity feature;
- change in counterparty; and
- if the modification results in the asset no longer considered SPPI.

The Bank also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Bank considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Bank recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit-impaired (POCI).

Write-offs
Financial assets are written off either partially or in their entirety when the Bank no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

Financial liabilities
Financial liabilities include deposits, manager's checks, accrued interest and other expenses, and taxes. Financial liabilities are recognized initially at their fair value and when necessary, are subsequently measured at amortized cost using the effective interest method. Deposit liabilities are stated at amounts in which they are to be paid. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Exchange or modification of financial liabilities
The Bank considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances,

modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Bank recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

NCAHS

NCAHS include repossessed vehicles acquired in settlement of loans and receivable. The Bank classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

NCAHS are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated or amortized. The criteria for NCAHS classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

If the Bank decides to use an asset as property and equipment, the related asset ceases to qualify as NCAHS and is reclassified to property and equipment.

Upon reclassification, the Bank measures a non-current asset that ceases to be classified as held for sale at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the asset not been classified as held for sale, and
- its recoverable amount at the date of the subsequent reclassification.

Property and Equipment
Land is stated at cost less any impairment in value while depreciable properties including buildings and furniture, fixture and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred and if the recognition criteria are met, but excluding repairs and maintenance costs. Leasehold rights and improvements are stated at cost less accumulated amortization, and any impairment in value.

Depreciation and amortization are calculated using the straight-line method over the estimated useful life (EUL) of the depreciable assets as follows:

Condominium properties, buildings and improvements	20 to 40 years
Furniture, fixtures and equipment	2 to 10 years
Leasehold improvements	5 to 10 years or the related lease terms, whichever is shorter

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties
Investment properties include real properties acquired in settlement of loans and receivables and investments in real estate.

Real properties acquired in settlement of loans and receivables
Real properties acquired in settlement of loans and receivables are booked under investment properties as follows:

- upon the date of entry of judgment in case of judicial foreclosure; or
- upon the date of Sheriff's Certificate of Sale in case of extrajudicial foreclosure; or
- upon the date of notarization of the Deed of Dacion in case of dation in payment.

These properties are carried at cost, which is the fair value at acquisition date including certain transaction costs, less accumulated depreciation and impairment in value. Investment properties acquired through a nonmonetary asset exchange are measured initially at fair value unless (a) the exchange lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable, where the net carrying value of the related loans and receivables is used. The difference between the fair value of the foreclosed properties and the carrying value of the related receivables given up is recognized in 'Gain (loss) on asset exchange' account in the statement of comprehensive income. Subsequent to initial recognition, real properties acquired in settlement of loans and receivables are stated at cost less accumulated depreciation and any accumulated impairment in value. Depreciation is computed on a straight-line basis over the EUL from the time of acquisition of the investment properties but not to exceed 30 years.

Investments in real estate
Investments in real estate consist of investments in land and building. The Bank applies the cost model in accounting for investments in real estate. Investment in land is carried at cost less impairment in value. Building is carried at cost less accumulated depreciation and impairment in value. All costs that are directly attributable to the acquisition and development of property are capitalized, including borrowing costs incurred to finance the property development. Depreciation is computed on a straight-line basis between 20 to 40 years.

Subsequent measurement of investment properties
The EUL of investment properties and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The carrying values of the investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any of such indication exists and where the carrying values exceed the estimated recoverable amount, the investment property or Cash Generating Unit (CGU) it is related to are written down to their recoverable amounts.

Investment properties are derecognized when they have either been disposed of or when they are permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the statement of income in the year of retirement or disposal under 'Gain (loss) on asset exchange'.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Intangible Assets
Intangible assets consist of software costs and branch licenses.

Software costs
Costs related to software purchased by the Bank for use in operations are recognized as 'Software costs' in the statement of financial position. Capitalized computer software costs are amortized on a straight-line basis over 3 to 7 years.

Branch licenses
These intangible assets were determined to have indefinite useful lives and are therefore not amortized. The useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Branch licenses are tested for impairment annually either individually or at the CGU level.

Impairment is determined by assessing the recoverable amount of the individual asset or CGU (or group of CGUs) to which the intangible asset relates. Recoverable amount is the higher of the individual asset's or CGU's fair value less cost to sell and its value in use. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of income under 'Depreciation and amortization' account.

Investment in a Subsidiary and an Associate

Investment in a subsidiary

A subsidiary pertains to an entity over which the Bank has control. Control is achieved when the Bank 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. Investment in a subsidiary is carried at acquisition cost, less any impairment in value.

This policy relates to the Bank's investment in a 100% owned subsidiary recorded in 'Other equity investments' under 'Other assets'.

Investment in an associate

An associate pertains to an entity over which the Bank has significant influence. Significant influence 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. Investment in an associate is accounted for under the equity method of accounting.

Under the equity method, an investment in an associate is carried in the statement of financial position at cost plus post-acquisition changes in the Bank's share of the net assets of the associates. Goodwill, if any, relating to an associate is included in the carrying value of the investment and is not amortized. When the Bank increases its ownership interest in an associate that continues to be accounted for under the equity method, the cost for the additional interest is added to the existing carrying amount of the associate and the existing interest in the associate is not remeasured.

The Bank's share of its associate's post-acquisition profits or losses is recognized in the statement of income, and its share of post-acquisition movements in the associates' equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Bank and an associate are eliminated to the extent of the interest in the associate. Dividends received, if any, are treated as a reduction in the carrying value of the investment.

In cases where an associate is in a net liability position, the equity method requires the Bank to discontinue recognizing its share of further losses when its cumulative share in the losses of the associate equals or exceeds its interest in the associate, unless the Bank has incurred legal or constructive obligations or made payments on behalf of the associate, in which case a liability is recognized.

This policy relates to the Bank's investment in a 49%-owned investee company recorded in 'Other equity investments' under 'Other assets'.

As of December 31, 2025 and 2024, the investment in an associate, which was acquired as a result of merger with PDB, is fully impaired (Note 13).

Impairment of Nonfinancial Assets
At each reporting date, the Bank assesses whether there is any indication that its nonfinancial assets (i.e., property and equipment, investment properties, investment in a subsidiary and an associate, software cost) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Bank makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset or CGU is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged against the statement of income in the period in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to current operations.

After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Leases
The Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Bank as a lessee
The Bank applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Bank recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a. *Right-of-use assets*
   The Bank recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the depreciable assets. The depreciation expense is presented under 'Depreciation and amortization' in the statement of income.

If ownership of the leased asset transfers to the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of Nonfinancial Assets. Right-of-use assets are presented under Property and Equipment in the statement of financial position.

b. *Lease liabilities*
At the commencement date of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects the Bank exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c. *Short-term leases and leases of low-value assets*
The Bank applies the short-term lease recognition exemption to its short-term leases of branch sites (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of branch sites that are considered to be low value. (i.e., those with value of less than ₱250,000). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Bank as a lessor
Leases in which the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Equity
Capital stock is measured at par value for all shares issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to 'Additional paid-in capital' account. If the 'Additional paid-in capital' is not sufficient, the excess is charged against the 'Surplus (deficit)'. The

effect of positive (negative) equity adjustments arising from business combination under common control is included under 'Additional paid-in capital' ('Other equity reserves').

When the Bank issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Surplus
Surplus represents cumulative balance of periodic net income or loss, dividend declarations, prior period adjustments, effect of changes in accounting policy and other capital adjustments, if any.

Revenue Recognition
Revenues within the scope of PFRS 15, Revenue from Contracts with Customers
Revenue from contracts with customers is recognized upon transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Bank exercises judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the five-step model to contracts with customers.

The following specific recognition criteria must be met before revenue is recognized for contracts within the scope of PFRS 15:

Service fees and commission income
Fees earned for the provision of services are recognized once services are rendered. Service fees and commission income are measured at the amount of consideration which the Bank expects to be entitled in exchange for transferring promised services to the customers. These fees include charges from usage of ATM, charges for returned checks, charges for below minimum maintaining balance, bancassurance and commission income.

Income (loss) from sale or disposal of nonfinancial assets
Gain (loss) from sale or disposal of nonfinancial assets which pertains to the difference between the consideration from the sale or disposal and the carrying amount of the asset is recognized completion of the earnings process, the transfer of control over the property to the buyer, and the collectability on the sales price is reasonably assured. This is presented as part of "Gain (loss) on asset exchange" in the statement of income.

Other income
Income from sale of properties is recognized when control has been transferred to the counterparty and when the collectability of the sales price is reasonably assured.

Revenues outside the scope of PFRS 15

Interest income
For all interest-bearing financial assets, interest income is recorded at either EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability, or at rate stated in the contract. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, as applicable, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as 'Interest income'. Loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and

recognized as an adjustment to the EIR on the loan. If the commitment expires without the Bank making the loan, the commitment fees are recognized as other income on expiry.

Once the recorded value of the financial asset or group of financial assets has been reduced due to impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Gain (loss) on asset exchange
Gain (loss) on asset exchange transaction is recognized upon foreclosure of loan collaterals (see accounting policy on investment properties and NCAHS). The gain or loss on foreclosure represents the difference between the fair value of the asset received and book value of the asset given up.

Gain on disposal of financial assets at amortized cost
This represents results arising from sale of investment securities measured at amortized cost.

Rental income
Rental income arising from leased properties under operating leases is accounted from on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Income from property rentals'.

Trading and securities gains - net
This represents results arising from trading activities and sales of FVPL and FVOCI debt assets.

Dividend income
Dividend income is recognized when the Bank's right to receive payment is established.

Expense Recognition
Expenses are recognized when it is probable that a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has occurred and the decrease in economic benefits can be measured reliably. Expenses are recognized when incurred.

Interest expense
Interest expense for all interest-bearing financial liabilities is recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate.

Operating expenses
Operating expenses constitute costs which arise in the normal business operation and are recognized when incurred.

Taxes and licenses
These include all other taxes, local and national, including gross receipts tax (GRT), real estate taxes and licenses and permit fees which are recognized when incurred.

Retirement Benefits
The net defined benefit asset or liability is the aggregate of the present value of the defined benefit obligation at the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The defined benefit obligation is calculated annually by an independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms of the related retirement asset or liability. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plan is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:
a. service cost;
b. net interest on the net defined benefit liability or asset; and
c. remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Bank, nor can they be paid directly to the Bank. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Bank's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Provisions and Contingencies

Provisions are recognized when the Bank has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

<u>Income Taxes</u>

Current tax

Current tax assets and current tax liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the reporting date. Effective January 1, 2019, management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, 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 profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax assets and deferred tax liabilities, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

Events after the Reporting Date
Post year-end events that provide additional information about the Bank's position at the reporting date (adjusting events) is reflected in the financial statements. Any post-year-end event that is not an adjusting event is disclosed in the notes to the financial statements when material.

Standards Issued but Not Yet Effective
These are new PFRSs and amendments, interpretation and annual improvements to existing standards that are effective for annual periods subsequent to 2025. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Bank's financial statements:

Effective beginning on or after January 1, 2026

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

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

  The Bank is currently assessing the impact of PFRS 18 on its primary financial statements and notes to the financial statements. The Bank considers its main business activities to include the provision of financing to customers. In accordance with PFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing activities.

- PFRS 17, *Insurance Contracts*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

Deferred effectivity

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

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS Accounting Standards requires the Bank to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments
In the process of applying the Bank's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

a. *Fair value of financial instruments*
Where the fair values of financial assets and financial liabilities recorded on the statement of financial position or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 4.

b. *Classification of NCAHS*
The Bank classifies assets as NCAHS if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for NCAHS classification are regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

c. *Contingencies*
The Bank is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Bank's defense in these matters and is based upon an analysis of potential results. The Bank currently does not believe that these proceedings will have a material adverse effect on the financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 24).

d. *Evaluation of business model in managing financial instruments*
The Bank manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Bank developed business models which reflect how it manages its portfolio of financial instruments. The Bank's business models need not be assessed at the entity level or as a whole but applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Bank) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument). In determining the classification of a financial instrument, the Bank evaluates in which business model a financial asset or a portfolio of financial assets belong to taking into consideration the objectives of each business model established by the Bank, various risks and key performance indicators being reviewed and monitored by responsible officers, as well as the manner of compensation for them. The Bank also considers the frequency, value, reasons and timing of past sales and expectation of future sales activity in this evaluation.

In addition, if more than an infrequent and more than an insignificant sale is made of a portfolio of financial assets carried at amortized cost, the Bank assesses whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Bank considers certain circumstances to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Bank can explain the reasons for those sales and why those sales do not reflect a change in the Bank's objective for the business model.

The business model assessment is based on reasonably expected scenarios without taking worst case or stress case scenarios into account. If cash flows, after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank 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.

e. *Testing the cash flow characteristics of financial assets*
In determining the classification of financial assets, the Bank assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated.

Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk), i.e., cash flows that are non-SPPI, does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Bank assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Bank considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts in the statement of financial position within the next financial year are described below:

a. *Expected credit losses on financial assets*

The Bank reviews its financial assets and commitments at each reporting date to determine the amount of expected credit losses to be recognized in the statement of financial position and any changes thereto in the statement of income. In particular, judgments and estimates by management are required in determining:

- whether a financial asset has a significant increase in credit risk since initial recognition.
- whether a default has taken place and what comprises a default;
- macro-economic factors that are relevant in measuring a financial asset's probability of default as well as the Bank's forecast of these macro-economic factors;
- probability weights applied over a range of possible outcomes;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Bank's expected credit loss models;
- the measurement of the exposure at default for unused commitments on which an expected credit loss should be recognized and the applicable loss rate.

The gross carrying amounts and the related allowance for credit losses of financial assets are disclosed in Note 14.

b. *Impairment of non-financial assets*

Investment properties

The Bank assesses impairment on investment properties whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Bank considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Bank recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the fair value less cost to sell for real properties. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The carrying values of the Bank's investment properties are disclosed in Note 11.

c. *Recognition of deferred income taxes*

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that certain temporary differences will be realized in the future.

The recognized net deferred tax assets and unrecognized deferred tax assets are disclosed in Note 22.

d. *Net retirement asset (liability) and retirement expense*
The determination of the Bank's net retirement asset (liability) and annual retirement expense is dependent on the selection of certain assumptions used in calculating such amounts. These assumptions include, among others, discount rates and salary increase rates.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date. The salary projection rate was based on the historical trend of salary increase rate of the Company. Refer to Note 20 for the details on the assumptions used in calculating the defined benefit asset (liability).

4. Fair Value Measurement

The methods and assumptions used by the Bank in estimating the fair values of its assets and liabilities are:

Cash and cash equivalents and financial assets recorded under 'Other assets' - The carrying amounts approximate their fair values in view of the relatively short-term maturities of these instruments.

Debt securities - Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

Equity securities – for quoted equity instruments, fair value is based on published quotation rates. For unquoted equity securities, remeasurement to their fair values is determined to be not material to the financial statements.

Loans and receivables and unquoted debt securities - Fair values are estimated using the discounted cash flow methodology, applying the Bank's current incremental lending rates for similar types of receivables or securities. The discount rates used in estimating the fair value of loans and receivables are the incremental lending rates ranging from 2.13% to 35.07% in 2025 and 2024.

Deposit liabilities - Fair values of time deposits are estimated using the discounted cash flow methodology, using the Bank's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. For demand and savings deposits, carrying amounts approximate fair values considering that these are currently due and demandable. The discount rates used in estimating the fair value of time deposits as of December 31, 2025 and 2024 range from 0.13% to 6.25% and from 0.13% to 6.88%, respectively.

Manager's checks accrued interest and other expenses and other liabilities - Carrying amounts approximate fair values due to the short-term nature of the accounts.

Investment properties - The fair values of the Bank's investment properties have been determined based on valuations made by accredited independent or in-house appraisers on the basis of recent sales of similar properties in the same areas and taking into account the economic conditions prevailing at the time the valuations were made.

As of December 31, 2025 and 2024, the classification under the fair value hierarchy of the Bank's assets and liabilities measured at fair value or with disclosure of fair values, except for those financial assets and liabilities at amortized cost with carrying values that approximate fair values, are presented below:

	December 31, 2025				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements					
Financial assets at FVPL					
Government debt securities	**₱50,807,228**	**₱50,807,228**	**₱–**	**₱–**	**₱50,807,228**
Financial assets at FVOCI					
Government debt securities	**29,013,146,076**	**13,514,159,154**	**15,498,986,922**	**–**	**29,013,146,076**
Quoted equity securities	**34,365,156**	**34,365,156**	**–**	**–**	**34,365,156**
	₱29,098,318,460	**₱13,599,331,538**	**₱15,498,986,922**	**₱–**	**₱29,098,318,460**
Fair values of assets carried at amortized cost					
Investment securities at amortized cost					
Government debt securities	**₱8,145,300,335**	**₱3,506,576,677**	**₱4,577,800,968**	**₱–**	**₱8,084,377,645**
Private debt securities	**274,728,435**	**273,469,747**	**–**	**–**	**273,469,747**
Loans and receivables					
Loans and discounts					
Consumer lending	**133,221,156,612**	**–**	**–**	**125,043,402,851**	**125,043,402,851**
Corporate and commercial lending	**17,098,688,687**	**–**	**–**	**17,957,133,798**	**17,957,133,798**
Others	**10,696,828**	**–**	**–**	**11,519,376**	**11,519,376**
Sales contracts receivable	**1,443,551,591**	**–**	**–**	**1,124,818,514**	**1,124,818,514**
	₱160,194,122,488	**₱3,780,046,424**	**₱4,577,800,968**	**₱144,136,874,539**	**₱152,494,721,931**
Fair values of assets carried at cost					
Investment properties					
Land	**₱955,561,258**	**₱–**	**₱–**	**₱2,238,341,143**	**₱2,238,341,143**
Condominium properties, buildings and improvements	**997,573,011**	**–**	**–**	**1,713,222,628**	**1,713,222,628**
	₱1,953,134,269	**₱–**	**₱–**	**₱3,951,563,771**	**₱3,951,563,771**
Fair values of liabilities carried at amortized cost					
Deposit liabilities – Time	**₱139,525,654,480**	**₱–**	**₱–**	**₱139,482,068,188**	**₱139,482,068,188**

	December 31, 2024				
	Carrying Value	Level 1	Level 2	Level 3	Total
Recurring fair value measurements					
Financial assets at FVPL					
Government debt securities	₱100,434,809	₱100,434,809	₱–	₱–	₱100,434,809
Financial assets at FVOCI					
Government debt securities	11,982,700,787	4,514,373,105	7,468,327,682	–	11,982,700,787
Quoted equity securities	37,715,576	37,715,576	–	–	37,715,576
	₱12,120,851,172	₱4,652,523,490	₱7,468,327,682	₱–	₱12,120,851,172
Fair values of assets carried at amortized cost					
Investment securities at amortized cost					
Government debt securities	₱6,552,432,008	₱4,447,088,285	₱1,922,917,539	₱–	₱6,370,005,824
Private debt securities	274,889,043	246,621,019	–	–	246,621,019
Loans and receivables					
Loans and discounts					
Consumer lending	118,433,277,968	–	–	94,081,922,746	94,081,922,746
Corporate and commercial lending	13,837,378,594	–	–	13,741,125,699	13,741,125,699
Others	10,739,725	–	–	11,389,692	11,389,692
Sales contracts receivable	1,408,858,767	–	–	1,147,669,170	1,147,669,170
	₱140,517,576,105	₱4,693,709,304	₱1,922,917,539	₱108,982,107,307	₱115,598,734,150
Fair values of assets carried at cost					
Investment properties					
Land	₱1,226,786,328	₱–	₱–	₱2,287,102,462	₱2,287,102,462
Condominium properties, buildings and improvements	648,324,679	–	–	1,598,175,581	1,598,175,581
	₱1,875,111,007	₱–	₱–	₱3,885,278,043	₱3,885,278,043
Fair values of liabilities carried at amortized cost					
Deposit liabilities – Time	₱117,088,781,450	₱–	₱–	₱117,031,252,164	₱117,031,252,164

As of December 31, 2025 and 2024, there were no transfers into and out of Level 3 fair value measurement.

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

Description of the valuation techniques used in the valuation of the Bank's investment properties are as follows:

Valuation Techniques	
Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Replacement Cost Approach	It is an estimate of the investment required to duplicate the property in its present condition. It is reached by estimating the value of the land and adding the depreciated cost of the improvement.

Significant unobservable inputs used in the valuation of the Bank's investment properties are as follows:

	Valuation Techniques	**Significant Unobservable Inputs**
Land	Market Data Approach	Price per square meter, size, location, shape, time, element and corner influence
Land and Building	Market Data Approach and Cost Approach	Reproduction cost new - the cost to create a virtual replica of the existing structure, employing the same design and similar building materials

5. Financial Risk Management Objectives and Policies

The Bank's activities are principally related to the profitable use of financial instruments. Risks are inherent in these activities but are managed by the Bank through a rigorous, comprehensive and continuous process of identification, measurement, monitoring and mitigation of these risks, partly through the effective use of risk and authority limits, process controls and monitoring, and independent controls. As reflected in its corporate actions and organizational improvements, the Bank has placed due importance to expanding and strengthening its risk management process and considers it as a vital component to the Bank's continuing profitability and financial stability.

Central to the Bank's risk management process is its adoption of a risk management program intended to avoid unnecessary risks, manage and mitigate unavoidable risks and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

The key financial risks that the Bank faces are: credit risk, market risk (i.e., interest rate risk), and liquidity risk. The Bank's risk management objective is primarily focused on controlling and mitigating these risks. The gravity of the risks, the magnitude of the financial instruments involved, and the regulatory requirements are the primary considerations to the scope and extent of the risk management processes put in place for the Bank.

Risk Management Structure

The BOD of the Bank has the primary responsibility for the establishment of a risk management system and is ultimately accountable for all risks taken within the Bank. The BOD has established, among others, the following committees to directly handle the Bank's risk management framework, policies and implementation in their respective risk management areas: the Executive Committee (ExeCom), Audit Committee (AudCom), Credit Committee (CreCom), Corporate Governance Committee (CGC) and the Risk Oversight Committee (ROC).

All Board committees report regularly to the BOD on their activities.

The Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The BOD has delegated to the ROC the formulation and supervision of the risk management process which includes, among others, determining the appropriate risk mitigating strategies and operating principles, adoption of industry standards, development of risk metrics, monitoring of key risk indicators, and the imposition of risk parameters. The ROC is composed of three members of the BOD, all of whom are independent directors. The Bank's ROC shall be responsible for the oversight and development of all risk management functions within the Bank. The ROC develops appropriate strategies through a written practical risk management plan for managing the major categories of risk events and minimizing the magnitude of expected losses, giving priority to the risk events with the largest expected losses. The Risk Management Division (RMD) supports the ROC in fulfilling its responsibilities, including overseeing the implementation of risk management strategies and specific risk control measures as approved by the Board of Directors (BOD). Additionally, the RMD actively monitors material risks on a daily basis, ensuring that the Bank engages only in risk-taking activities authorized by the ROC. The RMD is headed by the Chief Risk Officer (CRO) who reports the results of risk measurements to the ROC. Apart from RMD, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives.

The Bank's AudCom, on the other hand, focuses on checking whether adequate process and operational controls are in place and functioning as designed, as well as monitoring compliance thereto by the business and support units. The role of the AudCom is very critical in the proper corporate governance and effective risk management because of its independence from the Bank's top and middle level management. The AudCom is comprised of independent directors who neither participate in the Bank's daily activities nor take decision-making responsibilities. The AudCom delegates its daily control and monitoring functions to the Internal Audit Department (IAD).

The IAD is likewise independent from the business and support units and reports exclusively to the AudCom. The IAD undertakes its control function through regular process, operational and financial audits which it conducts all throughout the year. The audit covers all processes and controls in the Head Office and the branches. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the AudCom.

Risk Management Reporting
The ROC discusses risk management issues on a quarterly basis. The ROCs discusses key risk indicators and specific risk management issues that would need resolution from top management. The key risk indicators were formulated on the basis of the financial risks faced by the Bank. The key risk indicators contain information from all business units that provide measurements on the level of the risks taken by the Bank with its transactions, products and financial structure. Among others, the report on key risk indicators includes information on the Bank's aggregate credit exposure, credit metric forecasts, market risk analysis, utilization of market and credit limits, liquidity ratios, overall loan loss provisioning and risk profile changes.

The CreCom reviews and resolves credit-related issues such as credit facility approval, credit and collection strategies on a particular account, and credit monitoring. Loan loss provisioning and credit limit utilization are also discussed in more detail in the CreCom. On a weekly basis, the CreCom discusses detailed reporting of industry, customer and geographic risks arising from the Bank's existing loan portfolio. A comprehensive risk report is submitted to the BOD every quarter for an overall assessment of the level of risks taken by the Bank.

Risk Mitigation
The Bank uses financial instruments to manage exposures resulting from changes in interest rates, foreign currencies, credit risks and exposures arising from forecast transactions. However, the nature and extent of use of these financial instruments to mitigate risks are limited to those allowed by the BSP for a thrift bank.

To further mitigate risk throughout its different business and supporting units, the Bank is in the continuous process of improving its existing risk management policies. These policies further serve as the framework and set the guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, process controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff as well as among business units are reiterated in these policies.

To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and front line activities (i.e., players must not be scorers). This is to improve the credibility and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework established by risk management policies are taken up and resolved in the ROC and ExeCom.

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

Monitoring and controlling risks are primarily performed based on various limits established by the top management covering the Bank's transactions and dealings. These limits reflect the Bank's business strategies and market environment as well as the levels of risks that the Bank is willing to tolerate, with additional emphasis on selected industries. In addition, the Bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Business Continuity Management
The China Bank Group operates within increasingly interconnected ecosystems of digital platforms, supply chains, and third-party providers. This interconnectedness provides efficiency and scale, but also introduces potential systemic vulnerabilities and dependencies on external parties. Disruptions in such environments may affect multiple stakeholders simultaneously, including customers, regulators, and partners, and may give rise to operational, reputational, and compliance risks. The China Bank Group strengthens its operational resilience through the conduct of business impact analyses, risk assessments, and recovery planning to support continuity of operations and adaptability to changing conditions.

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

In order to avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines focusing on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The Bank's AudCom is responsible for monitoring compliance with the risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's AudCom is assisted in these functions by IAD. The IAD undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the AudCom.

Credit Risk
Credit Risk and Concentration of Assets and Liabilities and Off-Balance Sheet Items
Credit risk is the risk of financial loss due to one party to a financial product failing to discharge an obligation. The Bank faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (i.e., investment securities issued by either sovereign or corporate entities) and through implied or actual contractual agreements (i.e., on or off-balance sheet exposures). The Bank manages its credit risk at various levels (i.e., strategic level, portfolio level down to individual credit or transaction).

Collateral and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented with regard to the acceptability of types of collateral and valuation parameters.

The Bank has risk limits setting for purposes of monitoring and managing credit risk from individual counterparties and groups of counterparties. It also conducts periodic assessment of the creditworthiness of its counterparties. In addition, the Bank obtains collateral where appropriate, enters into master netting agreements and collateral arrangements with counterparties, and limits the duration of exposures. The Bank adopted an internal credit scoring system for the purpose of measuring credit risk for retail borrowers in a consistent manner, as accurately as possible, and thereafter uses the risk information for business and financial decision making.

The details of the composition of the loans and receivable and trading and investment securities portfolios (net of allowance for impairment and credit losses) and the corresponding information on credit concentration as to industry are disclosed below (in thousands):

	2025							
	Loans and receivables	**%**	**Other financial assets***	**%**	**Off-balance sheet exposures****	**%**	**Total**	**%**
Consumer	**₱100,841,896**	**65.00**	**₱1,121,325**	**2.00**	**₱–**	**–**	**₱101,963,221**	**47.71**
Government	**–**	**–**	**48,923,320**	**87.33**	**–**	**–**	**48,923,320**	**22.89**
Real estate, renting and business services	**38,118,226**	**24.57**	**699,661**	**1.25**	**241,081**	**9.38**	**39,058,968**	**18.28**
Agriculture	**4,444,229**	**2.86**	**49,418**	**0.09**	**141,949**	**5.52**	**4,635,596**	**2.17**
Wholesale and retail trade	**3,462,618**	**2.23**	**38,503**	**0.07**	**303,432**	**11.81**	**3,804,553**	**1.78**
Financial intermediaries	**37,751**	**0.02**	**3,327,539**	**5.94**	**960**	**0.04**	**3,366,250**	**1.58**
Manufacturing	**1,701,430**	**1.10**	**18,919**	**0.03**	**250,736**	**9.76**	**1,971,085**	**0.92**
Transportation, storage and communication	**1,341,671**	**0.86**	**14,919**	**0.03**	**28,200**	**1.10**	**1,384,790**	**0.65**
Electricity, gas, steam and air-conditioning supply	**1,234,294**	**0.80**	**13,725**	**0.02**	**3,500**	**0.14**	**1,251,519**	**0.59**
Construction	**1,042,700**	**0.67**	**11,594**	**0.02**	**67,300**	**2.62**	**1,121,594**	**0.52**
Health and social work	**943,978**	**0.61**	**10,497**	**0.02**	**–**	**–**	**954,475**	**0.45**
Education	**541,337**	**0.35**	**6,019**	**0.01**	**82,462**	**3.20**	**629,818**	**0.29**
Hotels and restaurant	**554,332**	**0.36**	**6,164**	**0.01**	**–**	**–**	**560,496**	**0.26**
Other community, social and personal services	**418,847**	**0.27**	**4,657**	**0.01**	**–**	**–**	**423,504**	**0.20**
Others	**452,449**	**0.29**	**1,774,831**	**3.17**	**1,450,588**	**56.43**	**3,677,868**	**1.71**
Total	**155,135,758**	**100.00**	**56,021,091**	**100.00**	**2,570,208**	**100.00**	**213,727,057**	**100.00**
Allowance for impairment and credit losses	**(3,361,665)**		**(712,224)**		**–**		**(4,073,889)**	
Net	**₱151,774,093**		**₱55,308,867**		**₱2,570,208**		**₱209,653,168**	

* *Other financial assets include the following: due from BSP, due from other banks, SPURA, financial assets at FVPL, financial assets at FVOCI, investments securities at amortized cost and other financial assets.*
** *These consist of credit lines, standby domestic letters of credit and outward bills for collection.*

	2024							
	Loans and receivables	%	Other financial assets*	%	Off-balance sheet exposures**	%	Total	%
Consumer	₱88,228,255	64.37	₱1,039,422	2.26	₱–	–	₱89,267,677	48.15
Government	–	–	40,314,347	87.63	–	–	40,314,347	21.74
Real estate, renting and business services	34,996,850	25.53	412,300	0.90	239,031	10.22	35,648,181	19.23
Agriculture	3,513,582	2.56	41,394	0.09	8,000	0.34	3,562,976	1.92
Wholesale and retail trade	2,560,163	1.87	30,161	0.07	166,116	7.10	2,756,440	1.49
Financial intermediaries	202,818	0.15	2,339,166	5.08	1,049	0.04	2,543,033	1.37
Manufacturing	2,054,205	1.50	24,201	0.05	170,048	7.27	2,248,454	1.21
Transportation, storage and communication	1,229,412	0.90	14,484	0.03	4,004	0.17	1,247,900	0.67
Electricity, gas, steam and air-conditioning supply	1,401,411	1.02	16,510	0.04	5,000	0.21	1,422,921	0.77
Construction	655,084	0.48	7,718	0.02	56,683	2.42	719,485	0.39
Health and social work	540,657	0.39	6,370	0.01	–	–	547,027	0.30
Education	492,459	0.36	5,802	0.01	450	0.02	498,711	0.27
Hotels and restaurant	581,082	0.42	6,846	0.01	–	–	587,928	0.32
Other community, social and personal services	233,277	0.17	2,748	0.01	–	–	236,025	0.13
Others	373,780	0.28	1,743,128	3.79	1,688,118	72.19	3,805,026	2.04
Total	137,063,035	100.00	46,004,597	100.00	2,338,499	100.00	185,406,131	100.00
Allowance for impairment and credit losses	(3,372,780)		(741,563)		–		(4,114,343)	
Net	₱133,690,255		₱45,263,034		₱2,338,499		₱181,291,788	

* *Other financial assets include the following: due from BSP, due from other banks, SPURA, financial assets at FVOCI, investments securities at amortized cost and other financial assets.*
** *These consist of credit lines, standby domestic letters of credit and outward bills for collection.*

Real estate, renting and business services include exposure to consumer housing loans, which are mostly covered with loan guaranty from Philippine Guarantee Corporation (PGC) amounting to ₱15.16 billion and ₱13.61 billion as of December 31, 2025 and 2024, respectively. PGC guaranteed loans are considered as non-risk item for regulatory reporting purposes.

Maximum exposure to credit risk
The tables below provide analyses of the maximum exposure to credit risk of the Bank's financial instruments.

	2025		
	Gross maximum exposure	**Net exposure**	**Financial effect of collateral or credit enhancement**
Credit risk exposure relating to on-balance sheet items are as follows:			
SPURA	**₱5,600,000,000**	**₱–**	**₱5,600,000,000**
Loans and receivables			
Loans and discounts			
Consumer lending	**133,221,156,612**	**84,331,783,203**	**48,889,373,409**
Corporate and commercial lending	**17,098,688,687**	**3,673,074,604**	**13,425,614,083**
Others	**10,696,828**	**10,696,828**	**–**
Sales contract receivable	**1,443,551,591**	**–**	**1,443,551,591**
	₱157,374,093,718	**₱88,015,554,635**	**₱69,358,539,083**

	2024		
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows:			
SPURA	₱–	₱–	₱–
Loans and receivables			
Loans and discounts			
Consumer lending	118,433,277,968	69,855,650,914	48,577,627,054
Corporate and commercial lending	13,837,378,594	2,548,855,041	11,288,523,553
Others	10,739,725	10,739,725	–
Sales contract receivable	1,408,858,767	–	1,408,858,767
	₱133,690,255,054	₱72,415,245,680	₱61,275,009,374

The maximum exposure to credit risks for the other financial assets is limited to the carrying value as of December 31, 2025 and 2024. The fair values of financial assets at FVOCI represent the credit risk exposure as of the reporting date but not the maximum risk exposure that could arise in the future as a result of changes in fair value of the said instruments.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions - cash or securities
- For consumer lending - real estate and chattel over vehicle
- For corporate and commercial lending - real estate, chattel over properties, assignment of deposits, shares of stocks, bonds, and guarantees

Foreclosed collateral
The Bank's policy is to determine whether a foreclosed collateral is best used for its internal operations or should be sold. Foreclosed collaterals that pertain to real estate properties are accounted for as investment properties.

Collateral valuation
The Bank seeks to use collateral, where possible, to mitigate its risks on financial assets. The Bank collateral comes in various forms such as cash, securities, letter of credits/guarantees, real estate, receivables and other non-financial assets and credit enhancements. The fair value of collateral is generally assessed, at a minimum, at inception. To the extent possible, the Bank use active market data for valuing financial assets held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate and chattel, is valued based on data provided by internal appraisers and third parties such as independent appraisers.

Management monitors the market value of collateral, requests additional collateral in accordance with the underlying agreement, and monitors the market value of collateral obtained during its review of the adequacy of the allowance for impairment and credit losses.

It is the Bank's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In most cases, the Bank does not hold or occupy repossessed properties for business use. Collaterals foreclosed (i.e., NCAHS and investment properties) in 2025 and 2024 that are still held by the Bank as of December 31, 2025 and 2024 amounted to ₱1.40 billion and ₱1.10 billion, respectively. These collaterals consist of real properties and vehicles.

Credit quality per class of financial assets

The credit quality of financial assets is managed by the Bank using the BSP guidelines in identifying and monitoring problematic loans and other risk assets particularly Appendix 15 of the Manual of Regulations for Banks.

For corporate and commercial loans, including SME loans with approved credits of ₱10.00 million and above, the Bank adopts an internal credit risk rating system (ICRRS) for the purpose of measuring credit risk in a consistent manner as accurately as possible. For corporate and commercial, SME loans with approved credits below ₱10.00 million, including SmallBiz accounts, these are covered by borrower credit scoring (BCS). For consumer/retail auto and housing loans, these are covered by application scorecards which provide either a pass or fail score based on cut-off score rank.

It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Bank's rating policy. The attributable risk ratings are assessed and updated regularly. The standard credit rating equivalent grades are relevant only for certain of the exposures in each risk rating class.

The rating categories are further described below.

Loans and receivable

High Grade
This includes all borrowers whose ratings are considered as Low Risk and/or those where the exposures are fully covered by Government Guarantee or cash collateral/deposit hold-out. Thus, these borrowers have a very low probability of going into default in the coming year.

In terms of borrower credit ratings, these include the following:

Unclassified
A. ICRRS - Covered
   - Excellent (BRR AAA-equivalent grade)
   - Strong (BRR AA-equivalent grade)
   - Good (BRR A-equivalent grade)
   - Satisfactory (BRR BBB-equivalent grade)

   'BBB' or higher grades are considered as Low Risk similar to risk profile of investment-grades rated by international credit rating agencies (Standard and Poor's, Moody's or Fitch)

B. Application Scorecard-Covered (for consumer/retail loans)
   - Score ranks 1-4 (pass/within cut-off score of "7" qualified for system approval) for retail auto and housing loans provided current/unclassified status as of reporting date.

Generally, a Low Risk (High Grade) rating is indicative of a high capacity to fulfill its obligations supported by robust financials (i.e., profitable, with returns considerably higher than the industry, elevated capacities to service its liabilities), gainful positioning in growing industries (i.e., participation in industries where conditions are very favorable and in which they are able to get a good share of the market), and very strong leadership providing clear strategic direction and/or excellent training and development programs.

Standard Grade
This includes all borrowers whose ratings are considered as Moderate Risk and are seen to withstand typical swings in the economic cycle without going into default. However, any prolonged unfavorable economic period would create deterioration that may already be beyond acceptable levels. Standard grade may also include matured loans subject to renewal.

In terms of borrower credit ratings, these include the following:

Unclassified
A. ICRRS - Covered
   - Acceptable (BRR BB-equivalent grade)
   - Watchlist (BRR B-equivalent grade)- these accounts remain unclassified but require closer monitoring for any signs of further deterioration, warranting adverse classification

B. Application Scorecard-Covered (for consumer/retail loans)
   - Score ranks 5-7 (pass/within cut-off score of "7") for retail auto and housing loans provided current/unclassified status as of reporting date.

For unsecured consumer/retail loan products, i.e., Automatic Payroll Deduction (APD) loans, personal and salary loans, and other employee loans as well as corporate and commercial, SME loans with approved credits below ₱10.00 million, including SmallBiz accounts that are covered by BCS, the basis for credit quality rating is the BSP classification for those that are booked as Current (i.e., Standard Grade if Unclassified and Sub-Standard Grade if Classified as either Especially Mentioned or Substandard) and impairment status for those that are booked as Past Due / Items in Litigation.

Generally, a Moderate Risk (Standard Grade) rating signifies a borrower whose financial performance is sufficient to service obligations and is at par with competitors in the industry. In terms of management, it is run by executives with adequate personal and professional qualifications and sufficient experience in similar companies. In terms of growth potential, it is engaged in an industry with stable outlook, supportive of continuing operations.

Substandard Grade
Adversely Classified accounts are automatically considered as high-risk and generally include past due accounts. However, in some cases, even accounts that are neither past due nor impaired, qualifies for adverse classification as either Especially Mentioned or Substandard. Those accounts have the tendency to turn past due or non-performing. Reasons for this include among others the following: consecutive net losses, emerging weaknesses in terms of cash flow, negative equity, and/or breach in the covenants per term loan agreement.

In terms of borrower credit ratings, these include the following:

Adversely Classified
A. ICRRS - Covered
   - Especially Mentioned (or BRR CCC-equivalent grade)
   - Substandard (or BRR CC-equivalent grade)

B. BCS-Covered
   - Corporate and commercial, SME loans with approved credits below Php 10 million, including SmallBiz accounts that are covered by BCS, which are neither past due nor impaired but classified as either Especially Mentioned or Substandard as of reporting date.

Past due but not impaired
Loans that are more than 30 days past due but do not demonstrate objective evidence of impairment as of reporting date.

In terms of borrower credit ratings, these include the following:

Adversely Classified
A. ICRRS-Covered
   - Especially Mentioned (or BRR CCC-equivalent grade)
   - Substandard (or BRR CC-equivalent grade)

B. BCS-Covered and Consumer/retail Loans
   - Especially Mentioned
   - Substandard

Impaired
Loans considered in default (more than 90 days past due) or demonstrate objective evidence of impairment as of reporting date. Loans with classification of doubtful and loss are included under past-due or individually impaired. Impaired accounts also include those booked as Items in Litigation.

In terms of borrower credit ratings, these include the following:

Adversely Classified
A. ICRRS-Covered
  - Substandard (or BRR CC equivalent-grade)
  - Doubtful (or BRR C equivalent-grade)
  - Loss (or BBR D equivalent-grade)

B. BCS-Covered and Consumer/retail Loans
  - Substandard
  - Doubtful
  - Loss

The financial assets are also grouped according to stage whose description is explained as follows:

Stage 1 - those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 - those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but do not demonstrate objective evidence of impairment as of reporting date.

Stage 3 - those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The following tables illustrate the Bank's credit exposures.

Loans and receivables

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	**₱34,954,634,073**	**₱–**	**₱–**	**₱34,954,634,073**
Standard grade	**93,019,759,848**	–	–	**93,019,759,848**
Substandard grade	–	–	–	–
Past due but not impaired	–	**4,215,217,443**	–	**4,215,217,443**
Past due and impaired	–	–	**3,465,704,613**	**3,465,704,613**
Gross carrying amount	**₱127,974,393,921**	**₱4,215,217,443**	**₱3,465,704,613**	**₱135,655,315,977**

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	**₱1,281,978,890**	**₱–**	**₱–**	**₱1,281,978,890**
Standard grade	**12,834,159,358**	–	–	**12,834,159,358**
Substandard grade	–	**2,447,973,073**	–	**2,447,973,073**
Past due but not impaired	–	**345,009,071**	–	**345,009,071**
Past due and impaired	–	–	**927,253,385**	**927,253,385**
Gross carrying amount	**₱14,116,138,248**	**₱2,792,982,144**	**₱927,253,385**	**₱17,836,373,777**

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	₱–	₱–	₱–	₱–
Standard grade	9,010,698	–	–	9,010,698
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	3,135,943	3,135,943
Gross carrying amount	**₱9,010,698**	**₱–**	**₱3,135,943**	**₱12,146,641**

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and discount – total*	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	₱36,236,612,963	₱–	₱–	₱36,236,612,963
Standard grade	105,862,929,904	–	–	105,862,929,904
Substandard grade	–	2,447,973,073	–	2,447,973,073
Past due but not impaired	–	4,560,226,514	–	4,560,226,514
Past due and impaired	–	–	4,396,093,941	4,396,093,941
Gross carrying amount	**₱142,099,542,867**	**₱7,008,199,587**	**₱4,396,093,941**	**₱153,503,836,395**

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Unquoted debt securities	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	₱–	₱–	₱–	₱–
Standard grade	–	–	–	–
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	151,836,309	151,836,309
Gross carrying amount	**₱–**	**₱–**	**₱151,836,309**	**₱151,836,309**

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Sales contract receivable	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	₱–	₱–	₱–	₱–
Standard grade	1,243,312,872	–	–	1,243,312,872
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	236,772,889	236,772,889
Gross carrying amount	**₱1,243,312,872**	**₱–**	**₱236,772,889**	**₱1,480,085,761**

	2025			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total*	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	₱36,236,612,963	₱–	₱–	₱36,236,612,963
Standard grade	107,106,242,776	–	–	107,106,242,776
Substandard grade	–	2,447,973,073	–	2,447,973,073
Past due but not impaired	–	4,560,226,514	–	4,560,226,514
Past due and impaired	–	–	4,784,703,139	4,784,703,139
Gross carrying amount	**₱143,342,855,739**	**₱7,008,199,587**	**₱4,784,703,139**	**₱155,135,758,465**

*This comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Other financial assets

	2025			
	ECL Staging			
Accounts receivable and accrued interest receivable	**Stage 1 12-month ECL**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
High grade	**₱158,722,544**	**₱–**	**₱–**	**₱158,722,544**
Standard grade	**1,548,947,289**	**284,511,522**	**–**	**1,833,458,811**
Substandard grade	**–**	**55,775,497**	**–**	**55,775,497**
Past due but not impaired	**–**	**124,825,379**	**–**	**124,825,379**
Past due and impaired	**–**	**–**	**1,198,158,725**	**1,198,158,725**
Gross carrying amount	**₱1,707,669,833**	**₱465,112,398**	**₱1,198,158,725**	**₱3,370,940,956**

Loans and receivables

	2024			
	ECL Staging			
Consumer lending	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱31,884,184,635	₱–	₱–	₱31,884,184,635
Standard grade	83,356,623,615	–	–	83,356,623,615
Substandard grade	–	–	–	–
Past due but not impaired	–	2,551,218,663	–	2,551,218,663
Past due and impaired	–	–	2,690,755,844	2,690,755,844
Gross carrying amount	₱115,240,808,250	₱2,551,218,663	₱2,690,755,844	₱120,482,782,757

	2024			
	ECL Staging			
Corporate and commercial lending	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱980,978,645	₱–	₱–	₱980,978,645
Standard grade	10,620,829,017	–	–	10,620,829,017
Substandard grade	–	1,070,329,370	757,709,544	1,828,038,914
Past due but not impaired	–	306,357,909	38,836,081	345,193,990
Past due and impaired	–	–	1,188,194,369	1,188,194,369
Gross carrying amount	₱11,601,807,662	₱1,376,687,279	₱1,984,739,994	₱14,963,234,935

	2024			
	ECL Staging			
Others	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱–	₱–	₱–	₱–
Standard grade	9,334,552	–	–	9,334,552
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	3,093,637	3,093,637
Gross carrying amount	₱9,334,552	₱–	₱3,093,637	₱12,428,189

	2024			
	ECL Staging			
Loans and discount – total*	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱32,865,163,280	₱–	₱–	₱32,865,163,280
Standard grade	93,986,787,184	–	–	93,986,787,184
Substandard grade	–	1,070,329,370	757,709,544	1,828,038,914
Past due but not impaired	–	2,857,576,572	38,836,081	2,896,412,653
Past due and impaired	–	–	3,882,043,850	3,882,043,850
Gross carrying amount	₱126,851,950,464	₱3,927,905,942	₱4,678,589,475	₱135,458,445,881

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

Unquoted debt securities	2024 ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱–	₱–	₱–	₱–
Standard grade	–	–	–	–
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	151,836,309	151,836,309
Gross carrying amount	₱–	₱–	₱151,836,309	₱151,836,309

Sales contract receivable	2024 ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱–	₱–	₱–	₱–
Standard grade	1,196,527,341	–	–	1,196,527,341
Substandard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	256,225,039	256,225,039
Gross carrying amount	₱1,196,527,341	₱–	₱256,225,039	₱1,452,752,380

Loans and receivables – total*	2024 ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱32,865,163,280	₱–	₱–	₱32,865,163,280
Standard grade	95,183,314,524	–	–	95,183,314,524
Substandard grade	–	1,070,329,370	757,709,544	1,828,038,914
Past due but not impaired	–	2,857,576,572	38,836,081	2,896,412,653
Past due and impaired	–	–	4,290,105,199	4,290,105,199
Gross carrying amount	₱128,048,477,804	₱3,927,905,942	₱5,086,650,824	₱137,063,034,570

*This comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Other financial assets

Accounts receivable and accrued interest receivable	2024 ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
High grade	₱230,519,044	₱–	₱–	₱230,519,044
Standard grade	1,721,604,137	160,853,158	–	1,882,457,295
Substandard grade	–	26,540,716	–	26,540,716
Past due but not impaired	–	70,858,682	–	70,858,682
Past due and impaired	–	–	1,003,060,901	1,003,060,901
Gross carrying amount	₱1,952,123,181	₱258,252,556	₱1,003,060,901	₱3,213,436,638

Depository accounts with the BSP and counterparty banks and investment securities

For these financial assets, outstanding exposure is rated primarily based on external risk rating (i.e., Standard and Poor's (S&P), otherwise, rating is based on risk grades by a local rating agency or included under "Unrated", when the counterparty has no available risk grade).

The external risk rating of the Bank's depository accounts with the BSP and counterparty banks and investment securities, is grouped as follows:

Credit Quality Rating	External Credit Risk Rating	Credit Rating Agency
High grade	AAA, AA+, AA, AA−	S&P
	Aaa, Aa1, Aa2, Aa3	Moody's
	AAA, AA+, AA, AA−	Fitch
Standard grade	A+, A, A−, BBB+, BBB, BBB−	S&P
	A1, A2, A3, Baa1, Baa2, Baa3	Moody's
	A+, A, A−, BBB+, BBB, BBB−	Fitch
Substandard grade	BB+, BB, BB−, B/B+, CCC, R, SD & D	S&P
	Ba1, Ba2, Ba3, B1, B2, R, SD & D	Moody's
	BB+, BB, BB−, B/B+, CCC, R, SD & D	Fitch

Following is the credit rating scale applicable for foreign banks, and government securities (aligned with S&P ratings):

AAA - An obligor has extremely strong capacity to meet its financial commitments.

AA - An obligor has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors at a minimal degree.

A - An obligor has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB and below:

BBB - An obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB - An obligor is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitments.

B - An obligor is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.

CCC - An obligor is currently vulnerable and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments.

CC - An obligor is currently vulnerable. The rating is used when a default has not yet occurred, but expects default to be a virtual certainty, regardless of the anticipated time to default.

R - An obligor is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favor one class of obligations over others or pay some obligations and not others.

SD and D - An obligor is in default on one or more of its financial obligations including rated and unrated financial obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms.

In case of PHP-denominated securities which are not rated by S&P, Moody's or Fitch, but have an external ratings by Philratings, the following groupings were applied.

Credit Quality Rating	External Credit Risk Rating
High grade	PRSAAA, PRSAa+, PRSAa, PRSAa−
Standard grade	PRSA+, PRSA, PRSA−, PRSBaa+, PRSBaa, PRSBaa−
Substandard grade	PRSBa+, PRSBa, PRSBa−, PRSB+, PRSB, PRSB−, PRSCaa+, PRSCaa, PRSCaa−, PRSCa+, PRSCa, PRSCa−, PRSC+, PRSC, PRSC−

PRSAaa - The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

PRSAa - The obligor's capacity to meet its financial commitment on the obligation is very strong.

PRSA - With favorable investment attributes and are considered as upper-medium grade obligations. Although obligations rated 'PRSA' are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still strong.

PRSBaa - An obligation rated 'PRS Baa' exhibits adequate protection parameters. However, adverse economic conditions and changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. PRSBaa-rated issues may possess certain speculative characteristics.

PRSBa - An obligation rated 'PRSBa' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties relating to business, financial or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

PRSB - An obligation rated 'PRSB' is more vulnerable to nonpayment than obligations rated 'PRSBa', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse economic conditions will likely impair the obligor's capacity to meet its financial commitment on the obligation. The issue is characterized by high credit risk.

PRSCaa - An obligation rated 'PRSCaa' is presently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The issue is considered to be of poor standing and is subject to very high credit risk.

PRSCa - An obligation rated "PRSCa" is presently highly vulnerable to nonpayment. Likely already in or very near default with some prospect for partial recovery of principal or interest.

PRSC - An obligation is already in default with very little prospect for any recovery of principal or interest.

The succeeding tables show the credit exposure of the Bank related to these financial assets.

	2025			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	
Debt financial assets at FVOCI	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	**₱7,766,825,861**	**₱–**	**₱–**	**₱7,766,825,861**
Standard grade	**21,246,320,215**	**–**	**–**	**21,246,320,215**
	₱29,013,146,076	**₱–**	**₱–**	**₱29,013,146,076**

	2025			
	ECL Staging			
Investment securities at	**Stage 1**	**Stage 2**	**Stage 3**	
amortized cost	**12-month ECL**	**Lifetime ECL**	**Lifetime ECL**	**Total**
High grade	**₱275,800,000**	**₱–**	**₱–**	**₱275,800,000**
Standard grade	**8,148,978,778**	**–**	**–**	**8,148,978,778**
	₱8,424,778,778	**₱–**	**₱–**	**₱8,424,778,778**

	2024			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI - debt	12-month ECL	Lifetime ECL	Lifetime ECL	Total
High grade	₱1,000,000,000	₱–	₱–	₱1,000,000,000
Standard grade	10,982,700,787	–	–	₱10,982,700,787
	₱11,982,700,787	₱–	₱–	₱11,982,700,787

	2024			
	ECL Staging			
Investment securities at	Stage 1	Stage 2	Stage 3	
amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
High grade	₱275,800,000	₱–	₱–	₱275,800,000
Standard grade	6,563,759,119	–	–	₱6,563,759,119
	₱6,839,559,119	₱–	₱–	₱6,839,559,119

	2025				
	High Grade	**Standard Grade**	**Substandard Grade**	**Unrated**	**Total**
Due from BSP	**₱6,110,387,913**	**₱–**	**₱–**	**₱–**	**₱6,110,387,913**
Due from other banks	**1,331,704,018**	**1,995,415,238**	**–**	**–**	**3,327,119,256**
SPURA	**5,600,000,000**	**–**	**–**	**–**	**5,600,000,000**
	₱13,042,091,931	**₱1,995,415,238**	**₱–**	**₱–**	**₱15,037,507,169**

	2024				
	High Grade	Standard Grade	Substandard Grade	Unrated	Total
Due from BSP	₱21,391,651,836	₱–	₱–	₱–	₱21,391,651,836
Due from other banks	188,726,603	2,148,050,388	–	–	2,336,776,991
	₱21,580,378,439	₱2,148,050,388	₱–	₱–	₱23,728,428,827

Impairment assessment
The Bank measures a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Bank categorizes its financial assets into three categories:
- Stage 1 - financial asset that has not had a significant increase in credit risk;
- Stage 2 - financial asset that has had a significant increase in credit risk; and
- Stage 3 - financial asset in default.

The Bank uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors such as downgrade in the credit rating of the borrowers and a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses. For exposures without internal credit grades, if contractual payments are more than a specified days past due threshold (i.e., 30 days), the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Bank shall revert to recognizing a 12-month ECL.

Default and Cure
As a part of a qualitative assessment of whether a customer is in default, the Bank considers a variety of instances that may indicate unlikeliness to pay. The Bank's definition of default is aligned with the non-performing loan criteria as prescribed in BSP Circular No. 941. Defaults refer to loans, investments, receivables, or any financial asset, even without missed contractual payments, that satisfy any of the following conditions (1) impaired under existing accounting standards, (2) classified as doubtful or loss, (3) in litigation, (4) and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any.

All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are (5) unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement. (6) Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due. (7) Restructured loans shall be considered nonperforming. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Defaults are characterized by financial assets that have objective evidence of impairment at the reporting date and as such classified under Stage 3 ECL treatment.

An instrument is considered to be no longer in default, i.e., to have cured, when it no longer meets any of the default criteria above and there is sufficient evidence to support full collection through payments received for at least 6 months. Cured accounts are classified under Stage 1 ECL treatment.

Restructuring
In certain circumstances, the Bank modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, changes in maturity date, principal amount from capitalization of accrued interest, terms and conditions from conversion/consolidation or interest rates/repricing cycle that results in an extension in the loan maturity. Distressed restructuring with indications of unlikeliness to pay are categorized as impaired accounts and are initially moved to Stage 3.

The Bank implements a curing policy for restructured accounts compliant with the BSP Circular No. 1011. Restructured accounts that have exhibited improvements in creditworthiness may be moved from Stage 3 after a total of one-year probation period. These accounts are transferred to Stage 2 after six months of full payments and consequently transferred to Stage 1 after making the next six months full payments.

As of December 31, 2025 and 2024, the Bank's restructured loans amounted to ₱1.25 billion and ₱1.11 billion, respectively.

The Bank modeled the following inputs to the expected credit loss formula separately. The formula is applied to each financial asset, with certain exceptions wherein a collective or other general approach is applied:

Exposure at Default (EAD)
The Bank defines EAD as the principal and interests that would not be collected assuming the borrower's defaults during a future point in time. The Bank computes for a financial asset's EAD using the expected contractual cash flows during the contractual life of the financial instrument. A financial asset's EAD is defined as the sum of EAD from principal and EAD from interest.

In relation to the modification of loans and receivables (see Note 8), the Bank utilized the revised or modified cash flows of financial assets as EAD in calculating allowance for credit losses.

Probability of default (PD)
The Bank uses forward-looking PD estimates that are unbiased and probability-weighted using a range of possible outcomes. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Bank segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio. The Bank's PDs are mainly categorized into the following: (a) corporate and commercial loans; (b) small and medium-size enterprise financing; (c) auto and housing loans; and (d) personal and consumption loans.

The PDs used in calculating allowance for credit losses have been updated with information after considering the impact of the current market conditions as well as expectations about future economic conditions (i.e., forward-looking information).

Loss given default (LGD)
The Bank's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Bank's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases

wherein this does not apply, the Bank looks into the standard characteristics of collaterals (e.g., auto and housing loans) in order to estimate an LGD factor.

Economic Overlays
The Bank's incorporates economic overlays into the measurement of ECL to add a forward-looking risk measure parallel to the expected future macroeconomic atmosphere. A broad range of economic indicators were considered for the economic inputs. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements.

To address this, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. The Bank's loans and receivables consist of different portfolios, such as corporate and commercial loans and consumer loans, as well as other receivables (e.g., sales contract receivables). In compliance with PFRS 9, the Bank developed ECL parameters and methodologies for each portfolio, using historical data as well as forward-looking inputs and assumptions.

The Bank will continue to assess the current market conditions and forecasts of future economic conditions, and its impact to the aforementioned items, in order to update the ECL on a timely basis in the upcoming reporting periods, as the country continues to deal with this public health crisis.

Credit Review
In accordance with BSP Circular No. 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Bank's policies, to assess loan quality and appropriateness of classification and adequacy of loan loss provisioning. Results of credit reviews are promptly reported to management to apprise them of any significant findings for proper corrective actions.

Market Risk
Market risk is the risk of loss that may result from changes in the price of a financial product. The value of a financial product may change as a result of changes in interest rates, foreign exchange rates, equity prices and other market changes. The Bank's market risk originates from its holdings of foreign exchange instruments, debt securities, and loans and receivables. The impact of equity price risk arising on the Bank's investments in equity securities is not material to the Bank.

a. *Interest rate risk*
The Bank's interest rate risk originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The Bank follows prudent policies in managing its exposures to interest rate fluctuations and constantly monitors its assets and liabilities.

The table below presents the interest rate sensitive loans' composition as to maturity as of December 31, 2025 and 2024:

	2025	2024
Long-term retail loans with monthly amortization	**88.54%**	89.44%
Commercial loans with monthly or quarterly amortization	**5.26%**	6.09%
Commercial loans payable at maturity (mostly maturing for less than 6 months)	**6.21%**	4.47%
	100.00%	100.00%

The table below represents the percentage of interest-bearing demand, savings and time deposit accounts over total deposit liabilities as of December 31, 2025 and 2024:

	2025	2024
Demand	**15.45%**	16.60%
Savings	**11.95%**	13.20%
Time	**72.60%**	70.20%
	100.00%	100.00%

Interest rates on savings accounts are set by reference to prevailing market rates, while interest rates on time deposits and special savings accounts are usually priced by reference to prevailing rates of short-term government bonds and other money market instruments or, in the case of foreign currency deposits, inter-bank deposit rates and other benchmark deposit rates in international money markets with similar maturities.

The Bank is likewise exposed to fair value interest rate risk due to its holdings of fixed rate government bonds as part of its financial assets at FVOCI portfolio. Market values of these investments are sensitive to fluctuations in interest rates.

The repricing gap analysis method is used by the Bank to measure the sensitivity of its assets and liabilities to interest rate fluctuations. This analysis measures the Bank's susceptibility to changes in interest rates. The repricing gap is calculated by first distributing the assets and liabilities contained in the Bank's statement of financial position into tenor buckets according to the time remaining to the next repricing date (or the time remaining to maturity if there is no repricing), and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and the total of repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.

Accordingly, during a period of rising interest rates, a bank with a positive gap would be in a position to invest in higher yielding assets earlier than it would need to refinance its interest rate sensitive liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its interest rate sensitive assets repricing earlier than its interest rate sensitive liabilities, restraining the growth of its net income or resulting in a decline in net interest income.

The following table sets forth the repricing gap position of the Bank as of December 31, 2025 and 2024, (in millions):

	2025					
	Up to 1 Month	**>1 to 3 Months**	**>3 to 6 Months**	**>6 to 12 Months**	**>12 Months**	**Total**
Financial Assets						
Loans and receivables	**₱10,457**	**₱21,909**	**₱26,966**	**₱51,442**	**₱38,630**	**₱149,404**
Investment securities	**7,927**	**920**	**3,546**	**6,590**	**18,251**	**37,234**
Total financial assets	**18,384**	**22,829**	**30,512**	**58,032**	**56,881**	**186,638**
Financial Liabilities						
Deposit liabilities	**70,644**	**51,572**	**5,154**	**1,504**	**63,306**	**192,180**
Repricing gap	**(₱52,260)**	**(₱28,743)**	**₱25,358**	**₱56,528**	**(₱6,425)**	**(₱5,542)**

	2024					
	Up to 1 Month	>1 to 3 Months	>3 to 6 Months	>6 to 12 Months	>12 Months	Total
Financial Assets						
Loans and receivables	₱7,363	₱15,827	₱21,172	₱40,743	₱46,810	₱131,915
Investment securities	1,000	58	1,019	4,475	12,119	18,671
Total financial assets	8,363	15,885	22,191	45,218	58,929	150,586
Financial Liabilities						
Deposit liabilities	53,309	42,736	8,481	2,440	59,826	166,792
Repricing gap	(₱44,946)	(₱26,851)	₱13,710	₱42,778	(₱897)	(₱16,206)

The Bank also monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its net interest income. This is done by modeling the impact to the Bank's interest income and interest expenses of different parallel changes in the interest rate curve, assuming the parallel change only occurs once and the interest rate curve after the parallel change does not change again for the next twelve months.

The following table sets forth the estimated change in the Bank's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2025 and 2024 (amounts in thousands):

	2025			
	Change in interest rates (in basis points)			
	100bp rise	**50bp rise**	**50bp fall**	**100bp fall**
Change in annualized net interest income	**(₱313,741)**	**(₱156,870)**	**₱156,870**	**₱313,741**
As a percentage of the Bank's net interest income	**(3.19%)**	**(1.59%)**	**1.59%**	**3.19%**

	December 31, 2024			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	(₱257,214)	(₱128,607)	₱128,607	₱257,214
As a percentage of the Bank's net interest income	(3.13%)	(1.57%)	1.57%	3.13%

The following tables set forth the estimated change in the Bank's income before tax and equity due to a reasonably possible change in the market prices of fixed-rate investment securities classified under financial assets at FVPL and financial assets at FVOCI, respectively, brought about by movement in the interest rate curve as December 31, 2025 and 2024 (amounts in thousands):

	2025			
	Change in interest rates (in basis points)			
	25bp rise	**10bp rise**	**10bp fall**	**25bp fall**
Change in income before tax	**(₱362)**	**(₱145)**	**₱146**	**365**
Change in equity	**(114,655)**	**(46,573)**	**44,986**	**114,248**
Total impact on net assets	**(₱115,017)**	**(₱46,718)**	**₱45,132**	**₱114,613**

	2024			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱912)	(₱366)	₱368	₱922
Change in equity	(69,215)	(27,808)	27,801	69,812
Total impact on net assets	(₱70,127)	(₱28,174)	₱28,169	₱70,734

b. *Foreign currency risk*
The Bank's foreign exchange risk originates from its holdings of foreign currency-denominated assets and liabilities (foreign exchange assets and liabilities). Foreign currency risk is the risk to earnings or capital arising from changes in the foreign exchange rates.

The Bank's policy is to maintain foreign currency exposure within existing regulations, and within acceptable risk limits. The Bank believes in ensuring its foreign currency is at all times within limits prescribed for financial institutions who are engaged in the same types of businesses in which the Bank is engaged.

The monetary assets and liabilities carried in the RBU and FCDU books are all denominated in their respective functional currencies, except for small non-recurring other monetary items. Thus, foreign currency risk is minimal.

Liquidity Risk and Funding Management
Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Bank's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Bank's management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Bank's business operations or unanticipated events created by customer behavior or capital market conditions. The Bank 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 report, as well as an analysis of available liquid assets. Instead of relying solely on contractual maturities profile, the Parent Company uses Behavioral MCO to capture a going concern view. Furthermore, monthly internal liquidity ratio and monitoring of large fund providers have been set to determine sufficiency of liquid assets over deposit liabilities.

Liquidity is managed by the Bank on a daily basis, while scenario stress tests and sensitivity analysis are conducted periodically. The Bank monitors and reports to the BSP the Liquidity Coverage Ratio and the Net Stable Funding Ratio.

The tables below show the maturity profile of the Bank's financial assets and financial liabilities, based on contractual due date and undiscounted cash flows:

	2025			
	On demand	**Within 1 year**	**Over 1 year**	**Total**
Financial Assets				
Cash and cash equivalents				
Cash and other cash items	**₱3,431,109,812**	**₱–**	**₱–**	**₱3,431,109,812**
Due from BSP	**6,110,387,913**	**–**	**–**	**6,110,387,913**
Due from other banks	**3,327,119,256**	**–**	**–**	**3,327,119,256**
SPURA	**–**	**5,601,382,356**	**–**	**5,601,382,356**
Financial assets at FVPL	**–**	**–**	**57,910,959**	**57,910,959**
Financial assets at FVOCI	**–**	**19,585,894,730**	**12,175,621,054**	**31,761,515,784**
Investment securities at amortized cost	**–**	**1,135,974,017**	**8,764,071,626**	**9,900,045,643**
Loans and receivables	**–**	**24,175,874,314**	**201,588,519,675**	**225,764,393,989**
Other assets				
Accounts receivable	**–**	**1,725,052,852**	**–**	**1,725,052,852**
Accrued interest receivable	**–**	**1,645,888,104**	**–**	**1,645,888,104**
Rental deposits	**–**	**–**	**90,502,771**	**90,502,771**
Returned checks and other cash items	**33,407,960**	**–**	**–**	**33,407,960**
Other equity investments	**–**	**–**	**21,792,208**	**21,792,208**
Total financial assets	**₱12,902,024,941**	**₱53,870,066,373**	**₱222,698,418,293**	**₱289,470,509,607**
Financial Liabilities				
Deposit liabilities				
Demand	**₱29,685,620,859**	**₱–**	**₱–**	**₱29,685,620,859**
Savings	**22,980,688,003**	**–**	**–**	**22,980,688,003**
Time	**–**	**130,087,558,767**	**11,604,920,239**	**141,692,479,006**
Manager's checks	**223,814,474**	**–**	**–**	**223,814,474**
Accrued interest and other expenses	**–**	**1,264,464,917**	**–**	**1,264,464,917**
Other liabilities				
Accounts payable	**–**	**1,582,702,777**	**–**	**1,582,702,777**
Lease liabilities	**–**	**24,586,236**	**743,544,018**	**768,130,254**
Other credits - dormant	**–**	**–**	**12,089,154**	**12,089,154**
Security deposit	**–**	**–**	**14,647,342**	**14,647,342**
Total financial liabilities	**₱52,890,123,336**	**₱132,959,312,697**	**₱12,375,200,753**	**₱198,224,636,786**

	2024			
	On demand	Within 1 year	Over 1 year	Total
Financial Assets				
Cash and cash equivalents				
Cash and other cash items	₱3,401,452,438	₱–	₱–	₱3,401,452,438
Due from BSP	21,391,651,836	–	–	21,391,651,836
Due from other banks	2,336,776,991	–	–	2,336,776,991
SPURA	–	–	–	–
Financial assets at FVPL	–	121,282,031	–	121,282,031
Financial assets at FVOCI	–	4,340,847,715	9,548,277,840	13,889,125,555
Investment securities at amortized cost	–	3,043,716,770	4,726,319,276	7,770,036,046
Loans and receivables	–	20,465,471,053	183,071,801,516	203,537,272,569
Other assets				
Accounts receivable	–	1,614,748,378	–	1,614,748,378
Accrued interest receivable	–	1,598,688,260	–	1,598,688,260
Rental deposits	–	–	99,451,839	99,451,839
Returned checks and other cash items	40,585,297	–	–	40,585,297
Other equity investments	–	–	21,792,208	21,792,208
Total financial assets	₱27,170,466,562	₱31,184,754,207	₱197,467,642,679	₱255,822,863,448
Financial Liabilities				
Deposit liabilities				
Demand	₱27,679,939,125	₱–	₱–	₱27,679,939,125
Savings	22,024,151,961	–	–	22,024,151,961
Time	–	112,594,507,125	11,391,347,342	123,985,854,467
Manager's checks	203,678,931	–	–	203,678,931
Accrued interest and other expenses	–	1,232,254,903	–	1,232,254,903
Other liabilities				
Accounts payable	–	1,993,888,858	–	1,993,888,858
Lease liabilities	–	17,735,275	889,821,867	907,557,142
Other credits - dormant	–	–	16,379,962	16,379,962
Security deposit	–	–	12,193,405	12,193,405
Bills purchased	–	–	–	–
Total financial liabilities	₱49,907,770,017	₱115,838,386,161	₱12,309,742,576	₱178,055,898,754

6. Cash and Cash Equivalents

	2025	2024
Cash and other cash items	**₱3,431,109,812**	₱3,401,452,438
Due from BSP (Note 15)	**6,110,387,913**	21,391,651,836
Due from other banks (Notes 23)	**3,327,119,256**	2,336,776,991
SPURA (Note 26)	**5,600,000,000**	–
	₱18,468,616,981	₱27,129,881,265

Due from BSP
Due from BSP represents the Bank's placements in the term deposit facilities (TDF) of the BSP that have original maturity of seven (7) and fourteen (14) days and the demand deposits maintained by the Bank in compliance with the BSP's reserve requirement (Note 15).

As of December 31, 2025 and 2024, the Bank's demand deposits with the BSP amounted to ₱510.39 million and ₱1.61 billion, respectively. TDF deposit accounts earn annual interest rates ranging from 4.50% to 6.01% in 2025, from 5.74% to 6.01% in 2024, and from 6.24% to 6.68% in 2023.

Due from other banks
Due from other banks represent savings, demand and term deposits. USD-denominated deposits amounted to USD14.13 million (₱830.96 million) and USD8.32 million (₱481.07 million) as of December 31, 2025 and 2024, respectively.

Peso denominated deposits earn interest at annual rates ranging from 0.013% to 0.40% in 2025 and from 0.05% to 0.40% in 2024 and 2023. USD-denominated deposits earn interest at annual rates ranging from 0.03% to 5.23% in 2025, 2024 and 2023.

SPURA
Deposits in reverse repurchase facility, classified as SPURA, earn interest at annual rates ranging from 4.49% to 5.75% in 2025 and from 5.73% to 6.54% in 2024, from 5.00% to 6.39% in 2023 with tenors ranging from one (1) to five (5) days.

7. Trading and Investment Securities

Financial Assets at FVPL
As of December 31, 2025 and 2024, financial assets at FVPL pertain to the Bank's investment in peso-denominated government securities and include fair value gain of ₱1.37 million and fair value loss of ₱0.69 million, respectively. Effective interest rate is 4.32% in 2025, 4.47% in 2024 and 4.97% in 2023.

Financial Assets at FVOCI
This account consists of:

	2025	2024
Quoted government debt securities	**₱29,013,146,076**	₱11,982,700,787
Equity securities		
Quoted equity securities	**34,365,156**	37,715,576
Unquoted equity securities	**7,983,596**	7,983,596
	42,348,752	45,699,172
Total	**₱29,055,494,828**	₱12,028,399,959

Unquoted equity securities
This account is comprised of shares of stocks of various unlisted private corporations. The Bank has designated these equity securities as at FVOCI because they are not intended to be sold in the foreseeable future.

Net unrealized losses
The movements in net unrealized gains (losses) on FVOCI of the Bank follows:

	2025	2024
Balance at the beginning of the year	**(₱93,526,964)**	(₱70,830,608)
Movements in fair value during the year	**107,178,274**	(21,549,344)
Reversal of expected credit losses	**(7,302,956)**	(1,147,012)
Balance at the end of the year	**₱6,348,354**	(₱93,526,964)

Effective interest rates for peso-denominated debt financial assets at FVOCI range from 4.16% to 5.68% in 2025, from 2.00% to 6.07% in 2024 and from 1.65% to 6.77% in 2023.

Effective interest rates for foreign currency-denominated debt financial assets at FVOCI range from 1.37% to 7.03% in 2025, from 1.37% to 7.02% in 2024 and 2023.

Trading and securities gains - net
Trading and securities gains - net of the Bank amounted to ₱24.86 million in 2025, ₱20.36 million in 2024, and ₱0.37 million in 2023, respectively.

Investment Securities at Amortized Cost
This account consists of:

	2025	2025
Quoted		
Government debt securities (Note 23)	**₱8,148,978,778**	₱6,563,759,119
Private debt securities	**275,800,000**	275,800,000
	8,424,778,778	6,839,559,119
Allowance for credit losses (Note 14)	**(4,750,008)**	(12,238,068)
	₱8,420,028,770	₱6,827,321,051

Peso-denominated government securities and private bonds have effective interest rate ranging from 3.18% to 5.78% in 2025, from 2.91% to 5.50% in 2024 and from 2.86% to 5.50% in 2023, with maturities ranging from 1 to 7 years in 2024 and from 1 to 8 years in 2024 and 2023.

USD-denominated government securities and private bonds have effective interest rate ranging from 1.36% to 3.01% in 2025, 2024 and 2023, and 2022, with maturities ranging from 3 to 9 years in 2025, from 1 to 10 years in 2024 and from 1 to 11 years in 2023.

Interest Income on Trading and Investment Securities
Interest income on trading and investment securities follows:

	2025	2024	2023
Investment securities at amortized cost	**₱427,735,394**	₱284,271,734	₱281,589,118
Financial assets at FVOCI	**1,107,536,223**	1,001,339,366	190,042,318
Financial assets at FVPL	**3,177,083**	3,691,493	1,363,194
	₱1,538,448,700	₱1,289,302,593	₱472,994,630

8. Loans and Receivables

This account consists of:

	2025	2024
Loans and discounts		
Consumer lending	**₱135,655,315,977**	₱120,482,782,757
Corporate and commercial lending	**17,836,373,777**	14,963,234,935
Others	**12,146,641**	12,428,189
	153,503,836,395	135,458,445,881
Unquoted debt securities	**151,836,309**	151,836,309
Sales contracts receivable	**1,480,085,761**	1,452,752,380
	155,135,758,465	137,063,034,570
Allowance for credit losses (Note 14)	**(3,361,664,747)**	(3,372,779,516)
	₱151,774,093,718	₱133,690,255,054

As of December 31, 2025 and 2024, 27.31% and 24.09% of the total loans and receivables, respectively, are subject to periodic interest repricing. The loans and receivables bear annual fixed interest rates ranging from 2.13% to 37.24% in 2025 and 2024, and 2.13% to 39.42% in 2023.

Unquoted debt securities
Unquoted debt securities amounting to ₱151.84 million are notes issued by First Sovereign Asset Management Inc. (FSAMI) as part of the payment it made to the Bank in exchange for selected investment properties, non-performing loans, investment securities and other assets as identified in the Omnibus Agreement. These were fully provided with allowance for credit losses as of December 31, 2025 and 2024.

Modification of loans and receivables
In 2020, the Bank provided payment reliefs/grace periods in accordance with Bayanihan to Heal as One Act (“Bayanihan 1 Act”) and Bayanihan to Recover as One Act (“Bayanihan 2 Act”) which were enacted on March 25, 2020 and September 11, 2020, respectively.

The modifications in the contractual cash flows as a result of the above reliefs are not substantial and, therefore, do not result in the derecognition of the affected financial assets but would require the recognition of modification losses. The total modification losses amounted to ₱203.75 million in 2020. In 2025, 2024 and 2023, the accretion on the modified loans amounted to ₱3.55 million, ₱5.38 million and ₱9.95 million, respectively.

Interest Income on Loans and Receivables
Interest income on loans and receivables consist of interest income on:

	2025	2024	2023
Loans and discounts			
Consumer lending	**₱13,614,151,991**	₱11,331,305,405	₱9,074,380,009
Corporate and commercial lending	**1,238,355,774**	1,082,923,665	1,127,137,448
Others	**344,539**	389,014	376,234
Sales contract receivable	**141,482,767**	117,732,080	100,769,393
	₱14,994,335,071	₱12,532,350,164	₱10,302,663,084

9. Non-Current Assets Held for Sale

Non-current assets held for sale consist of vehicles foreclosed in settlement of loans receivable which are expected to be sold within one year from the reporting date.

	2025	2024
Balance at beginning of year	**₱567,422,444**	₱213,368,762
Additions	**1,231,057,010**	1,004,896,274
Disposals and other movements*	**(1,046,283,393)**	(650,842,592)
Balance at end of year	**₱752,196,061**	₱567,422,444

*Include reclassification to property and equipment and other assets of ₱18.15 million and ₱50.59 million, respectively, in 2025 (see Notes 10 and 25)

Gain (Loss) on Asset Exchange
Loss on foreclosure of NCAHS amounted to ₱7.02 million, ₱31.56 million and ₱120.41 million in 2025, 2024 and 2023, respectively.

The Bank posted ₱65.10 million loss in 2025, ₱42.82 million gain in 2024 and ₱14.03 million gain in 2023 on sale of NCAHS.

10. Property and Equipment

The composition of and movements in this account follow:

	December 31, 2025					
	Land	**Condominium Properties, Buildings and Improvements**	**Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Right-of-use Assets – Buildings**	**Total**
Cost						
Balances at beginning of year	**₱443,395,334**	**₱1,129,777,545**	**₱1,510,034,886**	**₱803,863,482**	**₱1,319,867,332**	**₱5,206,938,579**
Additions*	**–**	**72,321,459**	**162,323,406**	**102,383,680**	**130,633,777**	**467,662,322**
Disposals/expirations	**–**	**(62,339,842)**	**(53,834,045)**	**–**	**(121,565,112)**	**(237,738,999)**
Balances at end of year	**443,395,334**	**1,139,759,162**	**1,618,524,247**	**906,247,162**	**1,328,935,997**	**5,436,861,902**
Accumulated Depreciation						
Balances at beginning of year	**–**	**734,012,239**	**1,130,391,299**	**621,247,908**	**625,119,301**	**3,110,770,747**
Depreciation and amortization	**–**	**29,513,960**	**157,440,113**	**95,751,632**	**236,255,527**	**518,961,232**
Disposals/expiration	**–**	**(237,476)**	**(49,503,397)**	**–**	**(118,012,505)**	**(167,753,378)**
Balances at end of year	**–**	**763,288,723**	**1,238,328,015**	**716,999,540**	**743,362,323**	**3,461,978,601**
Net Book Values at End of Year	**₱443,395,334**	**₱376,470,439**	**₱380,196,232**	**₱189,247,622**	**₱585,573,674**	**₱1,974,883,301**

*Includes reclassification from NCAHS (see Notes 9 and 25)

	December 31, 2024					
	Land	Condominium Properties, Buildings and Improvements	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets – Buildings	Total
Cost						
Balances at beginning of year	₱443,395,334	₱1,056,340,497	₱1,378,345,902	₱721,535,095	₱1,188,026,116	₱4,787,642,944
Additions	–	108,862,028	222,852,694	82,877,587	244,843,515	659,435,824
Disposals/expirations	–	(35,424,980)	(91,163,710)	(549,200)	(113,002,299)	(240,140,189)
Balances at end of year	443,395,334	1,129,777,545	1,510,034,886	803,863,482	1,319,867,332	5,206,938,579
Accumulated Depreciation						
Balances at beginning of year	–	704,597,897	1,077,838,195	536,719,850	503,073,515	2,822,229,457
Depreciation and amortization	–	29,651,818	138,616,111	84,528,058	231,968,730	484,764,717
Disposals/expiration	–	(237,476)	(86,063,007)	–	(109,922,944)	(196,223,427)
Balances at end of year	–	734,012,239	1,130,391,299	621,247,908	625,119,301	3,110,770,747
Net Book Values at End of Year	₱443,395,334	₱395,765,306	₱379,643,587	₱182,615,574	₱694,748,031	₱2,096,167,832

The details of depreciation and amortization presented in the statements of income follow:

	2025	2024	2023
Property and equipment	**₱518,961,232**	₱484,764,717	₱418,420,882
Investment properties (Note 11)	**48,334,526**	50,651,091	54,753,966
Foreclosed vehicle*	**23,827,071**	–	–
Software costs (Note 12)	**14,243,381**	13,342,815	16,092,997
	₱605,366,210	₱548,758,623	₱489,267,845

*Included in 'Other assets'

As of December 31, 2025 and 2024, the gross carrying amount of fully depreciated building and furniture, fixtures and equipment still in use amounted to ₱924.42 million and ₱896.08 million, respectively.

There are no restrictions on titles on property and equipment and the Bank does not have any contractual commitments for acquisition of property and equipment as of December 31, 2025 and 2024.

11. Investment Properties

The composition of and movements in this account follow:

	2025		
	Land	**Condominium Properties, Buildings and Improvements**	**Total**
Cost			
Balances at beginning of year	**₱1,332,048,789**	**₱1,369,233,023**	**₱2,701,281,812**
Additions	**150,933,221**	**280,955,070**	**431,888,291**
Disposals	**(271,860,883)**	**(148,861,721)**	**(420,722,604)**
Balances at end of year	**1,211,121,127**	**1,501,326,372**	**2,712,447,499**
Accumulated Depreciation			
Balances at beginning of year	**–**	**463,602,741**	**463,602,741**
Depreciation (Note 10)	**–**	**48,334,526**	**48,334,526**
Disposals	**–**	**(32,844,109)**	**(32,844,109)**
Balances at end of year	**–**	**479,093,158**	**479,093,158**

(Forward)

	2025		
	Land	**Condominium Properties, Buildings and Improvements**	**Total**
Accumulated Impairment Losses (Note 14)			
Balances at beginning of year	**₱105,262,461**	**₱257,305,603**	**₱362,568,064**
Disposal, reclassifications and other movements	**150,297,408**	**(232,645,400)**	**(82,347,992)**
Balances at end of year	**255,559,869**	**24,660,203**	**280,220,072**
Net Book Values at End of Year	**₱955,561,258**	**₱997,573,011**	**₱1,953,134,269**

	2024		
	Land	Condominium Properties, Buildings and Improvements	Total
Cost			
Balances at beginning of year	₱1,448,476,048	₱1,403,866,100	₱2,852,342,148
Additions	207,231,851	190,377,431	397,609,282
Disposals	(323,659,110)	(225,010,508)	(548,669,618)
Balances at end of year	1,332,048,789	1,369,233,023	2,701,281,812
Accumulated Depreciation			
Balances at beginning of year	–	465,419,048	465,419,048
Depreciation (Note 10)	–	50,651,091	50,651,091
Disposals	–	(52,467,398)	(52,467,398)
Balances at end of year	–	463,602,741	463,602,741
Accumulated Impairment Losses (Note 14)			
Balances at beginning of year	105,262,461	331,654,281	436,916,742
Disposal, reclassifications and other movements	–	(74,348,678)	(74,348,678)
Balances at end of year	105,262,461	257,305,603	362,568,064
Net Book Values at End of Year	₱1,226,786,328	₱648,324,679	₱1,875,111,007

Gain on Asset Exchange

Gain on foreclosure of investment properties amounted to ₱151.80 million, ₱123.78 million and ₱166.22 million in 2025, 2024 and 2023, respectively.

The Bank realized gain on sale of investment properties amounting to ₱230.75 million, ₱243.22 million and ₱320.09 million in 2025, 2024 and 2023, respectively.

Details of rent income earned and direct operating expense incurred on investment properties of the Bank follow:

	2025	2024	2023
Rent income on investment properties (included under income from property rentals)	**₱52,214,680**	₱49,855,163	₱47,563,155
Direct operating expenses on investment properties not generating rent income (included under miscellaneous expenses)	**38,954,971**	50,412,941	63,947,420

Expenses on investment properties generating rent income are shouldered by the lessee.

12. Intangible Assets

Branch Licenses
This pertains to branch licenses recognized by the Bank in connection with its merger with PDB (Note 27). As of December 31, 2025 and 2024, the carrying amount of branch license amounted to ₱74.48 million. The recoverable amounts of these branch licenses have been determined using value in use (VIU). The significant and most sensitive assumptions used in the VIU are the discount rate and long-term growth rate of 8.84% and 1.00%, respectively, in 2025 and 15.72% and 2.00%, respectively, in 2024. The branch licenses are determined to be not impaired as of December 31, 2025 and 2024.

Software Costs
Movements in software costs are as follows:

	2025	2024
Cost		
Balance at beginning of year	**₱253,697,324**	₱236,396,932
Additions	**20,095,247**	17,300,392
Balance at end of year	**273,792,571**	253,697,324
Accumulated amortization		
Balance at beginning of year	**200,299,342**	186,956,527
Amortization (Note 10)	**14,243,381**	13,342,815
Balance at end of year	**214,542,723**	200,299,342
Net Book Value at End of Year	**₱59,249,848**	₱53,397,982

13. Other Assets

This account consists of:

	2025	2024
Financial		
Accounts receivable (Note 23)	**₱1,725,052,852**	₱1,614,748,378
Accrued interest receivable	**1,645,888,104**	1,598,688,260
Rental deposits	**90,502,771**	99,451,839
Returned checks and other cash items (RCOCI)	**33,407,960**	40,585,297
Other equity investments	**21,792,208**	21,792,208
	₱3,516,643,895	₱3,375,265,982
Nonfinancial		
Non-performing Asset Pool (NPAP)	**1,174,888,794**	1,176,678,195
Documentary stamp tax	**127,443,689**	110,087,816
Stationery and supplies	**36,455,798**	36,661,278
Prepaid expenses	**32,541,694**	40,571,909
Creditable withholding taxes (CWT)	**16,362,775**	12,164,343
Retirement asset (Note 20)	−	49,800,520
Miscellaneous	**141,900,350**	123,870,650
	1,529,593,100	1,549,834,711
	5,046,236,995	4,925,100,693
Allowance for impairment and credit losses (Note 14)	**(1,904,151,115)**	(1,971,994,119)
	₱3,142,085,880	₱2,953,106,574

Accounts Receivable

Accounts receivable includes accrued remittances from the Department of Education (DepEd) amounting to ₱1.06 billion and ₱959.26 million as of December 31, 2025 and 2024, respectively. These represent loan collections made by DepEd on behalf of the bank, which are normally remitted within one month. Accounts receivable also comprise other items arising from the bank's normal operations, including receivables from related parties and other counterparties. (Note 23).

Non-Performing Asset Pool (NPAP)

As of December 31, 2025 and 2024, miscellaneous assets include NPAP which was acquired as a result of the merger with PDB. The NPAP represents the non-performing assets of PDB which were purchased from PDIC under a buy-back arrangement following the terms and conditions of the Financial Assistance Agreement dated June 28, 2002 between PDIC and PDB. This consists of the following (in thousands):

	2025	2024
Loans and receivables	**₱955,705**	₱957,495
Investment properties	**145,107**	145,107
Other assets*	**74,077**	74,076
	₱1,174,889	₱1,176,678

* *Other assets include various property and equipment, various rental deposits of PDB's branches and other miscellaneous assets.*

As of December 31, 2025 and 2024, the above NPAP are fully provided with allowance for impairment losses.

Other Equity Investments

This account comprises of investments acquired by the Bank from its merger with PDB. The investments include the 100% owned subsidiary, Filrice Inc. (Filrice), with investment cost of ₱2.19 million, and the 49% owned investee, PDB SME Solutions, Inc. (PDB SME), with investment cost of ₱19.60 million.

Filrice was established for the business of rice milling and warehousing but ceased operations in 2011. Its principal place of business is in Bulacan, Philippines. Investment in Filrice is classified under prudential regulations as a nonfinancial allied undertaking. Accordingly, for prudential reporting purposes, such investments are accounted for under the equity method of accounting instead of consolidated on a line-by-line basis. PDB SME was established to provide web-based solutions to help SME-entrepreneurs manage businesses better and expand to new markets. Its principal place of business is in Makati City, Philippines. PDB SME was dissolved in 2013.

Filrice and PDB SME are non-operating private companies and as such, have no available quoted market prices. As of December 31, 2025 and 2024, investment in PDB SME is fully provided with ₱19.60 million allowance for impairment losses while investment in Filrice is carried at original acquisition cost of ₱2.19 million where majority of its assets represent cash that is deposited with the Bank.

Miscellaneous Assets

As of December 31, 2025 and 2024, miscellaneous assets include construction bonds, rentals and security deposits.

Allowance for Impairment and Credit Losses
Allowance for impairment and credit losses includes provision against accrued interest receivable (AIR) and long-outstanding advances amounting to ₱707.47 million and ₱729.32 million as of December 31, 2025 and 2024, respectively (Note 14).

14. Allowance for Impairment and Credit Losses

Changes in the allowance for impairment and credit losses are as follows:

	2025	2024
Balance at beginning of year		
Loans and receivables (Note 8)	**₱3,372,779,516**	₱3,315,450,574
Investment properties (Note 11)	**362,568,064**	436,916,742
Investment securities at amortized cost (Note 7)	**12,238,068**	10,829,186
Financial assets at FVOCI (Note 7)	**20,754,832**	21,901,844
Other assets (Note 13)	**1,971,994,119**	2,115,529,918
	5,740,334,599	5,900,628,264
Provisions charged to operations	**1,030,831,665**	773,248,903
Accounts charged off and others	**(1,199,625,490)**	(932,395,556)
	(168,793,825)	(159,146,653)
Balance at end of year		
Loans and receivables (Note 8)	**3,361,664,747**	3,372,779,516
Investment properties (Note 11)	**280,220,072**	362,568,064
Investment securities at amortized cost (Note 7)	**4,750,008**	12,238,068
Financial assets at FVOCI (Note 7)	**13,451,876**	20,754,832
Other assets (Note 13)	**1,904,151,115**	1,971,994,119
	₱5,564,237,818	₱5,740,334,599

At the current level of allowance for impairment and credit losses, management believes that the Bank has sufficient allowance to cover any losses that may be incurred from the non-collection or non-realization of its loans and receivables and other risk assets.

Below is the breakdown of provision for (reversal of) impairment and credit losses:

	2025	2024	2023
Loans and receivables	**₱1,062,978,802**	₱833,518,146	₱949,572,926
Investment properties	**–**	–	(27,206,089)
Investment securities at amortized cost	**(7,488,060)**	1,408,882	(885,400)
Financial assets at FVOCI (Note 7)	**(7,302,956)**	(1,147,012)	18,555,044
Other assets	**(17,356,121)**	(60,531,113)	75,462,090
	₱1,030,831,665	₱773,248,903	₱1,015,498,571

The tables below illustrate the movements of the allowance for impairment and credit losses of the financial assets for the year ended December 31, 2025 (effect of movements in ECL due to transfers between stages are shown in the total column):

Loans and receivables

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Loss allowance at January 1, 2025	**₱496,373,218**	**₱103,125,375**	**₱1,450,006,197**	**₱2,049,504,790**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(9,489,859)**	**89,058,540**	**–**	**79,568,681**
Transfer from Stage 1 to Stage 3	**(4,556,380)**	**–**	**570,050,645**	**565,494,265**
Transfer from Stage 2 to Stage 1	**1,865,612**	**(17,508,026)**	**–**	**(15,642,414)**
Transfer from Stage 2 to Stage 3	**–**	**(41,975,439)**	**559,593,882**	**517,618,443**
Transfer from Stage 3 to Stage 1	**319,383**	**–**	**(39,958,093)**	**(39,638,710)**
Transfer from Stage 3 to Stage 2	**–**	**2,103,004**	**(28,036,117)**	**(25,933,113)**
New financial assets originated or purchased	**226,711,320**	**99,621,408**	**294,011,839**	**620,344,567**
Changes in PDs/LGDs/EADs	**(70,420,749)**	**(14,419,730)**	**302,940,733**	**218,100,254**
Financial assets derecognized during the period	**(138,956,353)**	**(49,147,765)**	**(515,825,846)**	**(703,929,964)**
Total net P&L charge during the period	**5,472,974**	**67,731,992**	**1,142,777,043**	**1,215,982,009**
Other movements without P&L impact				
Write-offs, foreclosures and other movements	**–**	**–**	**(831,327,434)**	**(831,327,434)**
Loss allowance at December 31, 2025	**₱501,846,192**	**₱170,857,367**	**₱1,761,455,806**	**₱2,434,159,365**

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Loss allowance at January 1, 2025	**₱61,639,553**	**₱8,320,289**	**₱1,055,896,499**	**₱1,125,856,341**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(6,910,865)**	**7,861,433**	**–**	**950,568**
Transfer from Stage 1 to Stage 3	**(195,175)**	**–**	**19,543,718**	**19,348,543**
Transfer from Stage 2 to Stage 1	**1,036,047**	**(1,178,553)**	**–**	**(142,506)**
Transfer from Stage 2 to Stage 3	**–**	**(1,709,004)**	**150,438,060**	**148,729,056**
Transfer from Stage 3 to Stage 1	**302,056**	**–**	**(30,246,268)**	**(29,944,212)**
Transfer from Stage 3 to Stage 2	**–**	**2,780,160**	**(244,728,424)**	**(241,948,264)**
New financial assets originated or purchased	**86,979,346**	**18,294,798**	**17,031,801**	**122,305,945**
Changes in PDs/LGDs/EADs	**21,755,994**	**52,753,128**	**155,147,834**	**229,656,956**
Financial assets derecognized during the period	**(14,530,353)**	**(1,464,760)**	**(378,366,087)**	**(394,361,200)**
Total net P&L charge (credit) during the period	**88,437,050**	**77,337,202**	**(311,179,366)**	**(145,405,114)**
Other movements without P&L impact				
Write-offs, foreclosures and other movements	**–**	**–**	**(242,766,137)**	**(242,766,137)**
Loss allowance at December 31, 2025	**₱150,076,603**	**₱85,657,491**	**₱501,950,996**	**₱737,685,090**

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Loss allowance at January 1, 2025	**₱36**	**₱–**	**₱1,688,427**	**₱1,688,463**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 3	**(1)**	**–**	**93,180**	**93,179**
New financial assets originated or purchased	**3**	**–**	**–**	**3**
Changes in PDs/LGDs/EADs	**(23)**	**–**	**(261,713)**	**(261,736)**
Financial assets derecognized during the period	**(6)**	**–**	**(70,090)**	**(70,096)**
Total net P&L charge during the period	**(27)**	**–**	**(238,623)**	**(238,650)**
Loss allowance at December 31, 2025	**₱9**	**₱–**	**₱1,449,804**	**₱1,449,813**

Loans and discounts – total*	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱558,012,807**	**₱111,445,664**	**₱2,507,591,123**	**₱3,177,049,594**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(16,400,724)**	**96,919,973**	**–**	**80,519,249**
Transfer from Stage 1 to Stage 3	**(4,751,556)**	**–**	**589,687,543**	**584,935,987**
Transfer from Stage 2 to Stage 1	**2,901,659**	**(18,686,579)**	**–**	**(15,784,920)**
Transfer from Stage 2 to Stage 3	**–**	**(43,684,443)**	**710,031,942**	**666,347,499**
Transfer from Stage 3 to Stage 1	**621,439**	**–**	**(70,204,361)**	**(69,582,922)**
Transfer from Stage 3 to Stage 2	**–**	**4,883,164**	**(272,764,541)**	**(267,881,377)**
New financial assets originated or purchased	**313,690,669**	**117,916,206**	**311,043,640**	**742,650,515**
Changes in PDs/LGDs/EADs	**(48,664,778)**	**38,333,398**	**457,826,854**	**447,495,474**
Financial assets derecognized during the period	**(153,486,712)**	**(50,612,525)**	**(894,262,023)**	**(1,098,361,260)**
Total net P&L charge (credit) during the period	**93,909,997**	**145,069,194**	**831,359,054**	**1,070,338,245**
Other movements without P&L impact				
Write-offs, foreclosures and other movements	**–**	**–**	**(1,074,093,571)**	**(1,074,093,571)**
Loss allowance at December 31, 2025	**₱651,922,804**	**₱256,514,858**	**₱2,264,856,606**	**₱3,173,294,268**

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

Unquoted debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱–**	**₱–**	**₱151,836,309**	**₱151,836,309**
Total net P&L charge during the period	–	–	–	–
Loss allowance at December 31, 2025	**₱–**	**₱–**	**₱151,836,309**	**₱151,836,309**

Sales contracts receivable	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱11,965,273**	**₱–**	**₱31,928,340**	**₱43,893,613**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 3	**(1,014,816)**	**–**	**12,645,679**	**11,630,863**
Transfer from Stage 3 to Stage 1	**907,165**	**–**	**(11,304,234)**	**(10,397,069)**
New financial assets originated or purchased	**2,872,081**	**–**	**1,814,847**	**4,686,928**
Changes in PDs/LGDs/EADs	**575,507**	**–**	**(8,761,863)**	**(8,186,356)**
Financial assets derecognized during the period	**(2,872,081)**	**–**	**(2,221,728)**	**(5,093,809)**
Total net P&L charge during the period	**467,856**	**–**	**(7,827,299)**	**(7,359,443)**
Loss allowance at December 31, 2025	**₱12,433,129**	**₱–**	**₱24,101,041**	**₱36,534,170**

Loans and receivables – total*	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱569,978,080**	**₱111,445,664**	**₱2,691,355,772**	**₱3,372,779,516**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(16,400,724)**	**96,919,973**	**–**	**80,519,249**
Transfer from Stage 1 to Stage 3	**(5,766,372)**	**–**	**602,333,222**	**596,566,850**
Transfer from Stage 2 to Stage 1	**2,901,659**	**(18,686,579)**	**–**	**(15,784,920)**
Transfer from Stage 2 to Stage 3	**–**	**(43,684,443)**	**710,031,942**	**666,347,499**
Transfer from Stage 3 to Stage 1	**1,528,604**	**–**	**(81,508,595)**	**(79,979,991)**
Transfer from Stage 3 to Stage 2	**–**	**4,883,164**	**(272,764,541)**	**(267,881,377)**
New financial assets originated or purchased	**316,562,750**	**117,916,206**	**312,858,487**	**747,337,443**
Changes in PDs/LGDs/EADs	**(48,089,271)**	**38,333,398**	**449,064,991**	**439,309,118**
Financial assets derecognized during the period	**(156,358,793)**	**(50,612,525)**	**(896,483,751)**	**(1,103,455,069)**
Total net P&L charge (credit) during the period	**94,377,853**	**145,069,194**	**823,531,755**	**1,062,978,802**
Other movements without P&L impact				
Write-offs, foreclosures and other movements	**–**	**–**	**(1,074,093,571)**	**(1,074,093,571)**
Loss allowance at December 31, 2025	**₱664,355,933**	**₱256,514,858**	**₱2,440.793,956**	**₱3,361,664,747**

*This is comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Financial assets at FVOCI

Debt securities	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱20,754,832**	**₱–**	**₱–**	**₱20,754,832**
Movements with P&L impact				
New financial assets originated or purchased	**116,859,187**	–	–	**116,859,187**
Changes in PDs/LGDs/EADs	**(35,802,774)**	–	–	**(35,802,774)**
Financial assets derecognized during the period	**(88,359,369)**	–	–	**(88,359,369)**
Total net P&L charge during the period	**(7,302,956)**	–	–	**(7,302,956)**
Loss allowance at December 31, 2025	**₱13,451,876**	**₱–**	**₱–**	**₱13,451,876**

Investment securities at amortized cost

Debt securities	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱12,238,068**	**₱–**	**₱–**	**₱12,238,068**
Movements with P&L impact				
New financial assets originated or purchased	**7,808,386**	–	–	**7,808,386**
Changes in PDs/LGDs/EADs	**(10,270,660)**	–	–	**(10,270,660)**
Financial assets derecognized during the period	**(5,025,786)**	–	–	**(5,025,786)**
Total net P&L charge during the period	**(7,488,060)**	–	–	**(7,488,060)**
Loss allowance at December 31, 2025	**₱4,750,008**	**₱–**	**₱–**	**₱4,750,008**

Other financial assets

Accounts receivable and accrued interest receivable	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2025	**₱8,235,011**	**₱18,195,736**	**₱702,894,243**	**₱729,324,990**
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	**(127,234)**	**2,125,067**	–	**1,997,833**
Transfer from Stage 1 to Stage 3	**(25,560)**	–	**4,245,928**	**4,220,368**
Transfer from Stage 2 to Stage 1	**21,343**	**(356,476)**	–	**(335,133)**
Transfer from Stage 2 to Stage 3	–	**(329,751)**	**3,279,625**	**2,949,874**
Transfer from Stage 3 to Stage 1	**5,072**	–	**(842,601)**	**(837,529)**
Transfer from Stage 3 to Stage 2	–	**483,565**	**(4,809,416)**	**(4,325,851)**
New financial assets originated or purchased	**3,607,925**	**1,009,444**	**2,198,541**	**6,815,910**
Changes in PDs/LGDs/EADs	**1,763,645**	**11,113,628**	**13,616,073**	**26,493,346**
Financial assets derecognized during the period	**(1,138,668)**	**(834,087)**	**(10,358,870)**	**(12,331,625)**
Total net P&L charge during the period	**4,106,523**	**13,211,390**	**7,329,280**	**24,647,193**
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	–	**(46,498,099)**	**(46,498,099)**
Loss allowance at December 31, 2025	**₱12,341,534**	**₱31,407,126**	**₱663,725,424**	**₱707,474,084**

The comparative amounts for the movements in allowance for credit and impairment losses for 2024 are shown below.

Loans and receivables

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱408,462,263	₱108,451,051	₱1,089,364,722	₱1,606,278,036
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(4,905,654)	47,476,395	–	42,570,741
Transfer from Stage 1 to Stage 3	(3,639,271)	–	432,233,847	428,594,576
Transfer from Stage 2 to Stage 1	2,585,077	(25,018,101)	–	(22,433,024)
Transfer from Stage 2 to Stage 3	–	(17,949,109)	220,275,650	202,326,541
Transfer from Stage 3 to Stage 1	356,542	–	(42,346,269)	(41,989,727)
Transfer from Stage 3 to Stage 2	–	1,702,180	(20,889,547)	(19,187,367)
New financial assets originated or purchased	283,093,233	43,489,081	223,533,215	550,115,529
Changes in PDs/LGDs/EADs	(59,674,113)	111,791,694	660,531,824	712,649,405
Financial assets derecognized during the period	(129,904,859)	(42,970,941)	(498,088,474)	(670,964,274)
Total net P&L charge during the period	87,910,955	118,521,199	975,250,246	1,181,682,400
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	(123,846,875)	(614,608,771)	(738,455,646)
Loss allowance at December 31, 2024	₱496,373,218	₱103,125,375	₱1,450,006,197	₱2,049,504,790

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱67,274,401	₱36,416,793	₱1,403,466,784	₱1,507,157,978
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(1,562,752)	2,114,962	–	552,210
Transfer from Stage 1 to Stage 3	(173,881)	–	11,504,487	11,330,606
Transfer from Stage 2 to Stage 1	10,243,638	(13,863,311)	–	(3,619,673)
Transfer from Stage 2 to Stage 3	–	(1,075,743)	52,590,818	51,515,075
Transfer from Stage 3 to Stage 1	451,977	–	(29,904,079)	(29,452,102)
Transfer from Stage 3 to Stage 2	–	4,235,159	(207,048,065)	(202,812,906)
New financial assets originated or purchased	31,616,439	2,235,512	292,826,154	326,678,105
Changes in PDs/LGDs/EADs	(19,660,913)	48,663,878	(103,928,758)	(74,925,793)
Financial assets derecognized during the period	(26,549,356)	(12,331,564)	(383,952,681)	(422,833,601)
Total net P&L charge during the period	(5,634,848)	29,978,893	(367,912,124)	(343,568,079)
Other movements without P&L impact				
Write-offs, foreclosures and other movements		(58,075,397)	20,341,839	(37,733,558)
Loss allowance at December 31, 2024	₱61,639,553	₱8,320,289	₱1,055,896,499	₱1,125,856,341

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱67	₱–	₱1,256,739	₱1,256,806
Movements with P&L impact				
Transfers:				
Transfer from Stage 2 to Stage 3	–	–	–	–
New financial assets originated or purchased	17	–	–	17
Changes in PDs/LGDs/EADs	(41)	–	439,059	439,018
Financial assets derecognized during the period	(7)	–	(7,371)	(7,378)
Total net P&L charge during the period	(31)	–	431,688	431,657
Loss allowance at December 31, 2024	₱36	₱–	₱1,688,427	₱1,688,463

Loans and discounts – total*	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2024	₱475,736,731	₱144,867,844	₱2,494,088,245	₱3,114,692,820
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,468,406)	49,591,357	–	43,122,951
Transfer from Stage 1 to Stage 3	(3,813,152)	–	443,738,334	439,925,182
Transfer from Stage 2 to Stage 1	12,828,715	(38,881,412)	–	(26,052,697)
Transfer from Stage 2 to Stage 3	–	(19,024,852)	272,866,468	253,841,616
Transfer from Stage 3 to Stage 1	808,519	–	(72,250,348)	(71,441,829)
Transfer from Stage 3 to Stage 2	–	5,937,339	(227,937,612)	(222,000,273)
New financial assets originated or purchased	314,709,689	45,724,593	516,359,369	876,793,651
Changes in PDs/LGDs/EADs	(79,335,067)	160,455,572	557,042,125	638,162,630
Financial assets derecognized during the period	(156,454,222)	(55,302,505)	(882,048,526)	(1,093,805,253)
Total net P&L charge (credit) during the period	82,276,076	148,500,092	607,769,810	838,545,978
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	(181,922,272)	(594,266,932)	(776,189,204)
Loss allowance at December 31, 2024	₱558,012,807	₱111,445,664	₱2,507,591,123	₱3,177,049,594

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

Unquoted debt securities	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2024	₱–	₱–	₱151,836,309	₱151,836,309
Total net P&L charge during the period	–	–	–	–
Loss allowance at December 31, 2024	₱–	₱–	₱151,836,309	₱151,836,309

Sales contracts receivable	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2024	₱12,696,017	₱–	₱36,225,428	₱48,921,445
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 3	(1,265,694)	–	24,056,772	22,791,078
Transfer from Stage 3 to Stage 1	436,720	–	(8,300,639)	(7,863,919)
New financial assets originated or purchased	3,321,907	–	2,800,661	6,122,568
Changes in PDs/LGDs/EADs	98,230	–	(18,582,048)	(18,483,818)
Financial assets derecognized during the period	(3,321,907)	–	(4,271,834)	(7,593,741)
Total net P&L charge during the period	(730,744)	–	(4,297,088)	(5,027,832)
Loss allowance at December 31, 2024	₱11,965,273	₱–	₱31,928,340	₱43,893,613

Loans and receivables – total*	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Loss allowance at January 1, 2024	₱488,432,748	₱144,867,844	₱2,682,149,982	₱3,315,450,574
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(6,468,406)	49,591,357	–	43,122,951
Transfer from Stage 1 to Stage 3	(5,078,846)	–	467,795,106	462,716,260
Transfer from Stage 2 to Stage 1	12,828,715	(38,881,412)	–	(26,052,697)
Transfer from Stage 2 to Stage 3	–	(19,024,852)	272,866,468	253,841,616
Transfer from Stage 3 to Stage 1	1,245,239	–	(80,550,987)	(79,305,748)
Transfer from Stage 3 to Stage 2	–	5,937,339	(227,937,612)	(222,000,273)
New financial assets originated or purchased	318,031,596	45,724,593	519,160,030	882,916,219
Changes in PDs/LGDs/EADs	(79,236,837)	160,455,572	538,460,077	619,678,812
Financial assets derecognized during the period	(159,776,129)	(55,302,505)	(886,320,360)	(1,101,398,994)
Total net P&L charge (credit) during the period	81,545,332	148,500,092	603,472,722	833,518,146
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	(181,922,272)	(594,266,932)	(776,189,204)
Loss allowance at December 31, 2024	₱569,978,080	₱111,445,664	₱2,691,355,772	₱3,372,779,516

*This is comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Financial assets at FVOCI

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Debt securities	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱21,901,844	₱–	₱–	₱21,901,844
Movements with P&L impact				
New financial assets originated or purchased	137,757,740	–	–	137,757,740
Changes in PDs/LGDs/EADs	3,575,017	–	–	3,575,017
Financial assets derecognized during the period	(142,479,769)	–	–	(142,479,769)
Total net P&L charge during the period	(1,147,012)	–	–	(1,147,012)
Loss allowance at December 31, 2024	₱20,754,832	₱–	₱–	₱20,754,832

Investment securities at amortized cost

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Debt securities	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱10,829,186	₱–	₱–	₱10,829,186
Movements with P&L impact				
New financial assets originated or purchased	1,885,467	–	–	1,885,467
Changes in PDs/LGDs/EADs	472,332	–	–	472,332
Financial assets derecognized during the period	(948,917)	–	–	(948,917)
Total net P&L charge during the period	1,408,882	–	–	1,408,882
Other movements without P&L impact				
Write-offs, foreclosures and other movements	–	–	–	–
Loss allowance at December 31, 2024	₱12,238,068	₱–	₱–	₱12,238,068

Other financial assets

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Accounts receivable and accrued interest receivable	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱8,717,102	₱75,861,332	₱766,927,334	₱851,505,768
Movements with P&L impact				
Transfers:				
Transfer from Stage 1 to Stage 2	(57,872)	2,962,204	–	2,904,332
Transfer from Stage 1 to Stage 3	(28,511)	–	4,748,410	4,719,899
Transfer from Stage 2 to Stage 1	168,352	(8,617,149)	–	(8,448,797)
Transfer from Stage 2 to Stage 3	–	(1,272,747)	4,141,206	2,868,459
Transfer from Stage 3 to Stage 1	9,158	–	(1,525,262)	(1,516,104)
Transfer from Stage 3 to Stage 2	–	2,408,304	(7,836,030)	(5,427,726)
New financial assets originated or purchased	2,216,456	1,029,823	10,257,925	13,504,204
Changes in PDs/LGDs/EADs	(1,474,254)	22,927,737	22,101,102	43,554,585
Financial assets derecognized during the period	(1,315,420)	(8,446,848)	(19,127,168)	(28,889,436)
Total net P&L charge during the period	(482,091)	10,991,324	12,760,183	23,269,416
Other movements without P&L impact				
Write-offs, foreclosures and other movements				
Reclassification to other nonfinancial assets	–	(68,656,920)	(76,793,274)	(145,450,194)
Loss allowance at December 31, 2024	₱8,235,011	₱18,195,736	₱702,894,243	₱729,324,990

The corresponding movements of the gross carrying amount of the financial assets in 2025 are as follows:

Loans and receivables

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Gross carrying amount as at January 1, 2025	**₱115,240,808,250**	**₱2,551,218,663**	**₱2,690,755,844**	**₱120,482,782,757**
Transfers:				
Transfer from Stage 1 to Stage 2	**(2,203,219,229)**	**2,203,219,229**	–	–
Transfer from Stage 1 to Stage 3	**(1,057,834,861)**	–	**1,057,834,861**	–
Transfer from Stage 2 to Stage 1	**433,131,069**	**(433,131,069)**	–	–
Transfer from Stage 2 to Stage 3	–	**(1,038,430,395)**	**1,038,430,395**	–
Transfer from Stage 3 to Stage 1	**74,149,664**	–	**(74,149,664)**	–
Transfer from Stage 3 to Stage 2	–	**52,026,224**	**(52,026,224)**	–
New financial assets purchased or originated	**68,905,518,942**	**1,498,882,070**	**545,419,639**	**70,949,820,651**
Movements in outstanding balance	**(15,032,539,958)**	**319,975,061**	**515,946,858**	**(14,196,618,039)**
Financial assets derecognized during the period	**(38,385,619,956)**	**(938,542,340)**	**(1,018,429,024)**	**(40,342,591,320)**
Foreclosures	–	–	**(1,238,078,072)**	**(1,238,078,072)**
Gross carrying amount as at December 31, 2025	**₱127,974,393,921**	**₱4,215,217,443**	**₱3,465,704,613**	**₱135,655,315,977**

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Gross carrying amount as at January 1, 2025	**₱11,601,807,662**	**₱1,376,687,279**	**₱1,984,739,994**	**₱14,963,234,935**
Transfers:				
Transfer from Stage 1 to Stage 2	**(1,300,764,328)**	**1,300,764,328**	–	–
Transfer from Stage 1 to Stage 3	**(36,735,797)**	–	**36,735,797**	–
Transfer from Stage 2 to Stage 1	**195,005,043**	**(195,005,043)**	–	–
Transfer from Stage 2 to Stage 3	–	**(282,774,339)**	**282,774,339**	–
Transfer from Stage 3 to Stage 1	**56,853,090**	–	**(56,853,090)**	–
Transfer from Stage 3 to Stage 2	–	**460,009,377**	**(460,009,377)**	–
New financial assets purchased or originated	**9,688,938,433**	**490,364,715**	**77,430,759**	**10,256,733,907**
Movements in outstanding balance	**(1,262,435,577)**	**126,552,276**	**2,472,740**	**(1,133,410,561)**
Financial assets derecognized during the period	**(4,826,530,278)**	**(483,616,449)**	**(659,947,268)**	**(5,970,093,995)**
Foreclosures	–	–	**(280,090,509)**	**(280,090,509)**
Gross carrying amount as at December 31, 2025	**₱14,116,138,248**	**₱2,792,982,144**	**₱927,253,385**	**₱17,836,373,777**

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Gross carrying amount as at January 1, 2025	**₱9,334,552**	**₱–**	**₱3,093,637**	**₱12,428,189**
Transfers:				
Transfer from Stage 1 to Stage 3	**(170,730)**	–	**170,730**	–
New financial assets purchased or originated	**3,024,406**	–	–	**3,024,406**
Movements in outstanding balance	**(1,740,954)**	–	–	**(1,740,954)**
Financial assets derecognized during the period	**(1,436,576)**	–	**(128,424)**	**(1,565,000)**
Gross carrying amount as at December 31, 2025	**₱9,010,698**	**₱–**	**₱3,135,943**	**₱12,146,641**

	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and discounts – total	12-month ECL	Lifetime ECL	Lifetime ECL	**Total**
Gross carrying amount as at January 1, 2025	**₱126,851,950,464**	**₱3,927,905,942**	**₱4,678,589,475**	**₱135,458,445,881**
Transfers:				
Transfer from Stage 1 to Stage 2	**(3,503,983,557)**	**3,503,983,557**	–	–
Transfer from Stage 1 to Stage 3	**(1,094,741,388)**	–	**1,094,741,388**	–
Transfer from Stage 2 to Stage 1	**628,136,112**	**(628,136,112)**	–	–
Transfer from Stage 2 to Stage 3	–	**(1,321,204,734)**	**1,321,204,734**	–
Transfer from Stage 3 to Stage 1	**131,002,754**	–	**(131,002,754)**	–
Transfer from Stage 3 to Stage 2	–	**512,035,601**	**(512,035,601)**	–
New financial assets purchased or originated	**78,597,481,781**	**1,989,246,785**	**622,850,398**	**81,209,578,964**
Movements in outstanding balance	**(16,296,716,489)**	**446,527,337**	**518,419,598**	**(15,331,769,554)**
Financial assets derecognized during the period	**(43,213,586,810)**	**(1,422,158,789)**	**(1,678,504,716)**	**(46,314,250,315)**
Foreclosures	–	–	**(1,518,168,581)**	**(1,518,168,581)**
Gross carrying amount as at December 31, 2025	**₱142,099,542,867**	**₱7,008,199,587**	**₱4,396,093,941**	**₱153,503,836,395**

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

Unquoted debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2025	**₱–**	**₱–**	**₱151,836,309**	**₱151,836,309**
Financial assets derecognized during the period	–	–	–	–
Gross carrying amount as at December 31, 2025	**₱–**	**₱–**	**₱151,836,309**	**₱151,836,309**

Sales contract receivable	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2025	**₱1,196,527,340**	**₱–**	**₱256,225,040**	**₱1,452,752,380**
Transfers:				
Transfer from Stage 1 to Stage 3	**(101,481,617)**	–	**101,481,617**	–
Transfer from Stage 3 to Stage 1	**90,716,514**	–	**(90,716,514)**	–
New financial assets purchased or originated	**287,208,115**	–	**17,829,377**	**305,037,492**
Movements in outstanding balance	**57,550,635**	–	**(30,217,254)**	**27,333,381**
Financial assets derecognized during the period	**(287,208,115)**	–	**(17,829,377)**	**(305,037,492)**
Gross carrying amount as at December 31, 2025	**₱1,243,312,872**	**₱–**	**₱236,772,889**	**₱1,480,085,761**

Loans and receivables – total	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2025	**₱128,048,477,804**	**₱3,927,905,942**	**₱5,086,650,824**	**₱137,063,034,570**
Transfers:				
Transfer from Stage 1 to Stage 2	**(3,503,983,557)**	**3,503,983,557**	–	–
Transfer from Stage 1 to Stage 3	**(1,196,223,005)**	–	**1,196,223,005**	–
Transfer from Stage 2 to Stage 1	**628,136,112**	**(628,136,112)**	–	–
Transfer from Stage 2 to Stage 3	–	**(1,321,204,734)**	**1,321,204,734**	–
Transfer from Stage 3 to Stage 1	**221,719,268**	–	**(221,719,268)**	–
Transfer from Stage 3 to Stage 2	–	**512,035,601**	**(512,035,601)**	–
New financial assets purchased or originated	**78,884,689,896**	**1,989,246,785**	**640,679,775**	**81,514,616,456**
Movements in outstanding balance	**(16,239,165,854)**	**446,527,337**	**488,202,344**	**(15,304,436,173)**
Financial assets derecognized during the period	**(43,500,794,925)**	**(1,422,158,789)**	**(1,696,334,093)**	**(46,619,287,807)**
Foreclosures	–	–	**(1,518,168,581)**	**(1,518,168,581)**
Gross carrying amount as at December 31, 2025	**₱143,342,855,739**	**₱7,008,199,587**	**₱4,784,703,139**	**₱155,135,758,465**

*This is comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Financial assets at FVOCI

Debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2025	**₱11,982,700,787**	**₱–**	**₱–**	**₱11,982,700,787**
New financial assets purchased or originated	**67,468,080,044**	–	–	**67,468,080,044**
Movements in outstanding balance	**576,215,245**	–	–	**576,215,245**
Financial assets derecognized during the period	**(51,013,850,000)**	–	–	**(51,013,850,000)**
Gross carrying amount as at December 31, 2025	**₱29,013,146,076**	**₱–**	**₱–**	**₱29,013,146,076**

Investment securities at amortized cost

Debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2025	**₱6,839,559,119**	**₱–**	**₱–**	**₱6,839,559,119**
New financial assets purchased or originated	**4,363,917,298**	–	–	**4,363,917,298**
Movements in outstanding balance	**30,092,361**	–	–	**30,092,361**
Financial assets derecognized during the period	**(2,808,790,000)**	–	–	**(2,808,790,000)**
Gross carrying amount as at December 31, 2025	**₱8,424,778,778**	**₱–**	**₱–**	**₱8,424,778,778**

Other financial assets

Accounts receivable and accrued interest receivable	**ECL Staging** **Stage 1** 12-month ECL	 **Stage 2** Lifetime ECL	 **Stage 3** Lifetime ECL	**Total**
Gross carrying amount as at January 1, 2025	**₱1,952,123,181**	**₱258,252,556**	**₱1,003,060,901**	**₱3,213,436,638**
Transfers:				
Transfer from Stage 1 to Stage 2	(30,161,137)	30,161,137	–	–
Transfer from Stage 1 to Stage 3	(6,059,126)	–	6,059,126	–
Transfer from Stage 2 to Stage 1	5,059,478	(5,059,478)	–	–
Transfer from Stage 2 to Stage 3	–	(4,680,168)	4,680,168	–
Transfer from Stage 3 to Stage 1	1,202,429	–	(1,202,429)	–
Transfer from Stage 3 to Stage 2	–	6,863,248	(6,863,248)	–
New financial assets purchased or originated	499,220,393	10,499,843	8,327,939	518,048,175
Movements in outstanding balance	(443,792,287)	185,716,251	204,564,756	(53,511,280)
Financial assets derecognized during the period	(269,923,098)	(11,838,218)	(14,782,562)	(296,543,878)
Foreclosures	–	(4,802,773)	(5,685,926)	(10,488,699)
Gross carrying amount as at December 31, 2025	**₱1,707,669,833**	**₱465,112,398**	**₱1,198,158,725**	**₱3,370,940,956**

The corresponding movements of the gross carrying amount of the financial assets in 2024 are as follows:

Loans and receivables

Consumer lending	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱92,780,310,005	₱2,545,404,831	₱2,083,400,734	₱97,409,115,570
Transfers:				
Transfer from Stage 1 to Stage 2	(1,114,296,681)	1,114,296,681	–	–
Transfer from Stage 1 to Stage 3	(826,643,544)	–	826,643,544	–
Transfer from Stage 2 to Stage 1	587,188,354	(587,188,354)	–	–
Transfer from Stage 2 to Stage 3	–	(421,275,301)	421,275,301	–
Transfer from Stage 3 to Stage 1	80,986,877	–	(80,986,877)	–
Transfer from Stage 3 to Stage 2	–	39,951,081	(39,951,081)	–
New financial assets purchased or originated	65,724,523,043	1,075,876,375	414,807,402	67,215,206,820
Movements in outstanding balance	(12,483,973,081)	325,719,816	521,596,716	(11,636,656,549)
Financial assets derecognized during the period	(29,507,286,723)	(1,008,551,223)	(952,589,955)	(31,468,427,901)
Foreclosures	–	(533,015,243)	(503,439,940)	(1,036,455,183)
Gross carrying amount as at December 31, 2024	₱115,240,808,250	₱2,551,218,663	₱2,690,755,844	₱120,482,782,757

Corporate and commercial lending	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱8,511,102,156	₱3,404,277,436	₱2,683,638,183	₱14,599,017,775
Transfers:				
Transfer from Stage 1 to Stage 2	(197,708,753)	197,708,753	–	–
Transfer from Stage 1 to Stage 3	(21,998,298)	–	21,998,298	–
Transfer from Stage 2 to Stage 1	1,295,955,839	(1,295,955,839)	–	–
Transfer from Stage 2 to Stage 3	–	(100,561,502)	100,561,502	–
Transfer from Stage 3 to Stage 1	57,181,068	–	(57,181,068)	–
Transfer from Stage 3 to Stage 2	–	395,906,836	(395,906,836)	–
New financial assets purchased or originated	5,950,851,878	369,891,070	550,417,375	6,871,160,323
Movements in outstanding balance	(634,731,285)	(274,523,128)	(78,068,978)	(987,323,390)
Financial assets derecognized during the period	(3,358,844,943)	(1,152,766,651)	(734,174,893)	(5,245,786,487)
Foreclosures	–	(167,289,697)	(106,543,589)	(273,833,286)
Gross carrying amount as at December 31, 2024	₱11,601,807,662	₱1,376,687,279	₱1,984,739,994	₱14,963,234,935

Others	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱7,277,079	₱–	₱3,111,889	₱10,388,968
Transfers:				
Transfer from Stage 2 to Stage 3	–	–	–	–
New financial assets purchased or originated	4,416,325	–	–	4,416,325
Movements in outstanding balance	(1,575,493)	–	–	(1,575,493)
Financial assets derecognized during the period	(783,359)	–	(18,252)	(801,611)
Gross carrying amount as at December 31, 2024	₱9,334,552	₱–	₱3,093,637	₱12,428,189

Loans and discounts – total	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱101,298,689,240	₱5,949,682,267	₱4,770,150,806	₱112,018,522,313
Transfers:				
Transfer from Stage 1 to Stage 2	(1,312,005,434)	1,312,005,434	–	–
Transfer from Stage 1 to Stage 3	(848,641,842)	–	848,641,842	–
Transfer from Stage 2 to Stage 1	1,883,144,193	(1,883,144,193)	–	–
Transfer from Stage 2 to Stage 3	–	(521,836,803)	521,836,803	–
Transfer from Stage 3 to Stage 1	138,167,946	–	(138,167,946)	–
Transfer from Stage 3 to Stage 2	–	435,857,917	(435,857,917)	–
New financial assets purchased or originated	71,679,791,245	1,445,767,446	965,224,777	74,090,783,469
Movements in outstanding balance	(13,120,279,859)	51,196,688	443,527,738	(12,625,555,433)
Financial assets derecognized during the period	(32,866,915,025)	(2,161,317,874)	(1,686,783,100)	(36,715,015,999)
Foreclosures	–	(700,304,940)	(609,983,529)	(1,310,288,469)
Gross carrying amount as at December 31, 2024	₱126,851,950,464	₱3,927,905,942	₱4,678,589,475	₱135,458,445,881

*Total loans and discounts are comprised of consumer, corporate and commercial lending and other loans.

Unquoted debt securities	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱–	₱–	₱151,836,309	₱151,836,309
Financial assets derecognized during the period	–	–	–	–
Gross carrying amount as at December 31, 2024	₱–	₱–	₱151,836,309	₱151,836,309

Sales contract receivable	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱1,269,601,658	₱–	₱190,592,134	₱1,460,193,792
Transfers:				
Transfer from Stage 1 to Stage 3	(126,569,423)	–	126,569,423	–
Transfer from Stage 3 to Stage 1	43,671,988	–	(43,671,988)	–
New financial assets purchased or originated	332,190,698	–	22,475,316	354,666,014
Movements in outstanding balance	9,823,117	–	(17,264,530)	(7,441,413)
Financial assets derecognized during the period	(332,190,698)	–	(22,475,315)	(354,666,013)
Gross carrying amount as at December 31, 2024	₱1,196,527,340	₱–	₱256,225,040	₱1,452,752,380

Loans and receivables – total	ECL Staging Stage 1 12-month ECL	 Stage 2 Lifetime ECL	 Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱102,568,290,898	₱5,949,682,267	₱5,112,579,249	₱113,630,552,414
Transfers:				
Transfer from Stage 1 to Stage 2	(1,312,005,434)	1,312,005,434	–	–
Transfer from Stage 1 to Stage 3	(975,211,265)	–	975,211,265	–
Transfer from Stage 2 to Stage 1	1,883,144,193	(1,883,144,193)	–	–
Transfer from Stage 2 to Stage 3	–	(521,836,803)	521,836,803	–
Transfer from Stage 3 to Stage 1	181,839,934	–	(181,839,934)	–
Transfer from Stage 3 to Stage 2	–	435,857,917	(435,857,917)	–
New financial assets purchased or originated	72,011,981,943	1,445,767,446	987,700,094	74,445,449,483
Movements in outstanding balance	(13,110,456,742)	51,196,688	426,263,208	(12,632,996,846)
Financial assets derecognized during the period	(33,199,105,723)	(2,161,317,874)	(1,709,258,415)	(37,069,682,012)
Foreclosures	–	(700,304,940)	(609,983,529)	(1,310,288,469)
Gross carrying amount as at December 31, 2024	₱128,048,477,804	₱3,927,905,942	₱5,086,650,824	₱137,063,034,570

*This is comprised of loans and discounts, unquoted debt securities and sales contract receivables.

Financial assets at FVOCI

Debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱12,379,155,364	₱–	₱–	₱12,379,155,364
New financial assets purchased or originated	79,533,757,836	–	–	79,533,757,836
Movements in outstanding balance	600,869,523	–	–	600,869,523
Financial assets derecognized during the period	(80,531,081,936)	–	–	(80,531,081,936)
Gross carrying amount as at December 31, 2024	₱11,982,700,787	₱–	₱–	₱11,982,700,787

Investment securities at amortized cost

Debt securities	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱6,269,609,894	₱–	₱–	₱6,269,609,894
New financial assets purchased or originated	1,053,741,820	–	–	1,053,741,820
Movements in outstanding balance	65,587,405	–	–	65,587,405
Financial assets derecognized during the period	(549,380,000)	–	–	(549,380,000)
Gross carrying amount as at December 31, 2024	₱6,839,559,119	₱–	₱–	₱6,839,559,119

Other financial assets

Accounts receivable and accrued interest receivable	ECL Staging Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount as at January 1, 2024	₱1,663,726,159	₱282,868,950	₱878,889,314	₱2,825,484,423
Transfers:				
Transfer from Stage 1 to Stage 2	(11,045,359)	11,045,359	–	–
Transfer from Stage 1 to Stage 3	(5,441,620)	–	5,441,620	–
Transfer from Stage 2 to Stage 1	32,131,310	(32,131,310)	–	–
Transfer from Stage 2 to Stage 3	–	(4,745,771)	4,745,771	–
Transfer from Stage 3 to Stage 1	1,747,931	–	(1,747,931)	–
Transfer from Stage 3 to Stage 2	–	8,979,994	(8,979,994)	–
New financial assets purchased or originated	525,414,580	14,616,305	14,638,508	554,669,393
Movements in outstanding balance	(3,351,766)	16,004,174	137,363,551	150,015,959
Financial assets derecognized during the period	(251,058,054)	(31,496,297)	(21,919,500)	(304,473,851)
Foreclosures	–	(6,888,848)	(5,370,438)	(12,259,286)
Gross carrying amount as at December 31, 2024	₱1,952,123,181	₱258,252,556	₱1,003,060,901	₱3,213,436,638

15. **Deposit Liabilities**

BSP Circular No. 832 provides for an 8.00% reserve requirement for deposit liabilities of thrift banks. On September 20, 2024, the BSP issued Circular No. 1201 reducing the reserve requirement for deposit liabilities of thrift banks to 1.00%. On March 28, 2025, the BSP issued Circular No. 1211 reducing the reserve requirement for deposit liabilities of thrift banks to nil. As of December 31, 2025 and 2024, due from BSP amounting to nil and ₱1.77 billion, respectively, was set aside as reserves for deposit liabilities to comply with the reserve requirement (Note 6).

Foreign currency-denominated deposit liabilities bear annual fixed interest rates ranging from 0.05% to 3.98% in 2025, from 0.05% to 4.25% in 2024 and from 0.05% to 4.75% in 2023, while peso-denominated deposit liabilities bear interest rates ranging from 0.13% to 6.25% in 2025, from 0.13% to 6.88% in 2024 and from 0.13% to 7.25% in 2023.

Interest Expense on Deposit Liabilities
This account consists of:

	2025	2024	2023
Demand	**₱34,149,049**	₱33,969,004	₱32,854,068
Savings	**57,961,866**	62,298,136	70,663,505
Time	**7,251,687,115**	6,181,472,816	4,487,393,377
	₱7,343,798,030	₱6,277,739,956	₱4,590,910,950

16. **Accruals and Other Liabilities**

Accrued Interest and Other Expenses
This account consists of:

	2025	2024
Accrued interest payable	**₱878,458,134**	₱889,396,383
Accrued other expenses	**386,006,783**	342,858,520
	₱1,264,464,917	₱1,232,254,903

Accrued other expenses include accruals for employee benefits, utilities, janitorial and security services, outsourced services, information technology expenses, and others.

Other Liabilities
This account consists of:

	2025	2024
Financial		
Accounts payable (Note 23)	**₱1,582,702,777**	₱1,993,888,858
Lease liabilities (Note 21)	**674,046,173**	784,672,010
Due to the Treasurer of the Philippines	**65,981,490**	43,630,247
Security deposit (Note 23)	**14,647,342**	12,193,405
Other credits - dormant	**12,089,154**	16,379,962
	2,349,466,936	2,850,764,482
Nonfinancial		
Taxes payable	**109,379,463**	117,451,180
Retirement liability (Note 20)	**63,728,041**	–
Miscellaneous	**136,810,251**	88,196,067
	309,917,755	205,647,247
	₱2,659,384,691	₱3,056,411,729

Accounts payable includes payable to suppliers and service providers, and loan payments and other charges received from customers in advance.

Bills purchased pertains to credit accommodation where check payments in the form of manager's check, demand draft and cashier's check are purchased by the Bank and will be paid after the credit period. Other payable consists of SSS, medicare and employee compensation premium.

Miscellaneous includes sundry credits, inter-office float items, dormant deposit accounts and deposit for keys on safety deposit boxes.

17. Maturity Analysis of Assets and Liabilities

The table below presents the Bank's assets and liabilities as of December 31, 2025 and 2024 analyzed according to when they are expected to be recovered or settled within one year and beyond one year from the respective reporting dates (in thousands):

	December 31, 2025			December 31, 2024		
	Within twelve months	**Over twelve months**	**Total**	Within twelve months	Over twelve months	Total
Financial assets						
Cash and cash equivalents	**₱18,468,617**	**₱–**	**₱18,468,617**	₱27,129,881	₱–	₱27,129,881
Financial assets at FVPL	**50,807**	**–**	**50,807**	100,435	–	100,435
Financial assets at FVOCI	**18,231,902**	**10,823,593**	**29,055,495**	3,744,280	8,284,120	12,028,400
Investment securities at amortized cost	**748,057**	**7,676,722**	**8,424,779**	2,790,582	4,048,977	6,839,559
Loans and receivables	**10,426,451**	**144,709,307**	**155,135,758**	8,289,747	128,773,288	137,063,035
Other assets						
Accounts receivable	**1,392,928**	**332,125**	**1,725,053**	1,265,108	349,640	1,614,748
AIR	**1,258,758**	**387,130**	**1,645,888**	1,246,366	352,322	1,598,688
Rental deposits	**–**	**90,502**	**90,502**	–	99,452	99,452
RCOCI	**33,408**	**–**	**33,408**	40,585	–	40,585
Other equity investments	**–**	**21,792**	**21,792**	–	21,792	21,792
	50,610,928	**164,041,171**	**214,652,099**	44,606,984	141,929,591	186,536,575
Nonfinancial assets						
NCAHS	**752,196**	**–**	**752,196**	567,422	–	567,422
Property and equipment	**–**	**5,436,862**	**5,436,862**	–	5,206,939	5,206,939
Investment properties	**–**	**2,712,447**	**2,712,447**	–	2,701,282	2,701,282
Branch licenses	**–**	**74,480**	**74,480**	–	74,480	74,480
Software costs	**–**	**273,793**	**273,793**	–	253,697	253,697
Deferred tax asset	**–**	**1,895,345**	**1,895,345**	–	1,727,204	1,727,204
Other assets						
NPAP	**–**	**1,174,889**	**1,174,889**	–	1,176,678	1,176,678
Documentary stamp tax	**127,444**	**–**	**127,444**	110,088	–	110,088
Prepaid expenses	**32,542**	**–**	**32,542**	40,572	–	40,572
Stationery and supplies	**36,456**	**–**	**36,456**	36,661	–	36,661
CWT	**16,363**	**–**	**16,363**	12,164	–	12,164
Retirement asset	**–**	**–**	**–**	–	49,801	49,801
Miscellaneous	**141,900**	**–**	**141,900**	123,871	–	123,871
	1,106,901	**11,567,816**	**12,674,717**	890,778	11,190,081	12,080,859
	51,717,829	**175,608,987**	**227,326,816**	45,497,762	153,119,672	198,617,434
Allowances for impairment and credit losses (Note 14)			**(5,550,786)**			(5,719,579)
Accumulated depreciation and amortization (Notes 10, 11 and 12)			**(4,155,614)**			(3,774,673)
			(9,706,400)			(9,494,252)
			₱217,620,416			₱189,123,182
Financial liabilities						
Deposit liabilities	**₱182,753,868**	**₱9,438,095**	**₱192,191,963**	₱156,671,165	₱10,121,708	₱166,792,873
Manager's checks	**223,814**	**–**	**223,814**	203,679	–	203,679
Accrued interest and other expenses	**1,264,465**	**–**	**1,264,465**	1,232,255	–	1,232,255
Other liabilities						
Accounts payable	**1,582,703**	**–**	**1,582,703**	1,993,889	–	1,993,889
Lease liabilities	**24,209**	**649,837**	**674,046**	17,409	767,263	784,672
Due to the Treasurer of the Philippines	**65,981**	**–**	**65,981**	43,630	–	43,630
Security deposits	**–**	**14,648**	**14,648**	–	12,194	12,194
Other credits - dormant	**–**	**12,089**	**12,089**	–	16,380	16,380
	185,915,040	**10,114,669**	**196,029,709**	160,162,027	10,917,545	171,079,572
Nonfinancial liabilities						
Taxes payable	**109,379**	**–**	**109,379**	117,451	–	117,451
Income tax payable	**–**	**–**	**–**	503	–	503
Retirement liability	**–**	**63,728**	**63,728**	–	–	–
Other liabilities	**136,811**	**–**	**136,811**	88,196	–	88,196
	246,190	**63,728**	**309,918**	206,150	–	206,150
	₱186,161,230	**₱10,178,397**	**₱196,339,627**	₱160,368,177	₱10,917,545	₱171,285,722

18. **Equity**

The Bank's capital stock consists of:

	2025		2024	
	Shares	**Amount**	Shares	Amount
Preferred stock – ₱100 par value				
Authorized shares	**6,000,000**		6,000,000	
Issued and outstanding:				
Balance at beginning and end of year	**21,642**	**₱2,164,200**	21,642	₱2,164,200
Common stock – ₱100 par value				
Authorized shares	**134,000,000**		134,000,000	
Issued and outstanding:				
Balance at beginning of year	**115,414,149**	**11,541,414,900**	115,414,149	11,541,414,900
Issuance during the year	**10,000,000**	**1,000,000,000**	–	–
Balance at end of year	**125,414,149**	**12,541,414,900**	115,414,149	11,541,414,900
	125,435,791	**₱12,543,579,100**	115,435,791	₱11,543,579,100

The Bank's Amended Articles of Incorporation disclosed the following features of its preferred stock:

a. Non-voting and non-participating;
b. Preference at liquidation, including declared dividends which have not been distributed;
c. Non-cumulative dividend rate as determined by the BOD, provided not to exceed twice the current ninety-day Treasury bill rate at date of approval by the BOD;
d. Convertible to common shares, at the option of the stockholder, if no dividends are declared for three consecutive years, at book value of common shares at the time of the conversion; and
e. Re-issuable.

The summarized information on the Bank's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Type/Class	Authorized Shares	Par Value
December 7, 2017	Common	134,000,000	₱100
	Preferred	6,000,000	100
December 17, 2015	Common	74,000,000	100
	Preferred	6,000,000	100
March 1, 1973	Common	24,000,000	100
	Preferred	6,000,000	100

As of December 31, 2025 and 2024, the total number of stockholders is 1,556 and 1,550, respectively.

Centennial Stock Grant

In light of the Parent Bank's 100th anniversary, the Parent Bank's Board of Directors approved on August 5, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees.

The Centennial Stock Grant Plan was approved and ratified by the Parent Bank's stockholders on October 1, 2020 and the approvals of the regulatory agencies were completed in 2021. New shares were issued from the Parent Bank's authorized but unissued shares in favor of China Bank Group's regular employees and certain other officers and contractual employees as of August 16, 2020. Accordingly, the Parent Bank had an obligation to settle the transaction with the Bank's employees by providing its own equity instruments.

The stock grant awarded by the Parent Bank to the Bank's employees amounted to ₱17.30 million as of December 31, 2025 and 2024 is recognized under 'Other equity - stock grants' in the Bank's statement of financial position.

Capital Infusions
Details of the Parent Bank's capital infusions to the Bank in support of the Bank's planned business growth and expansion follow:

Date	Amount
July 2, 2025	₱1,000,000,000
December 22, 2023	1,000,000,000
June 6, 2018	500,000,000
December 31, 2016	1,500,000,000
September 29, 2016	1,000,000,000
December 16, 2015	2,000,000,000

Surplus and Surplus Reserves
In compliance with BSP Circular 1011 under Section 11 C, in cases when the computed allowance for credit losses on Stage 1 accounts is less than the required one percent (1%) general provision, the deficiency shall be recognized by appropriating the surplus reserves. As of December 31, 2025 and 2024 the Bank appropriated ₱775.39 million and ₱726.94 million, respectively, from its free surplus to comply with the general loan loss provision required by BSP.

Capital Management
The primary objectives of the Bank's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made to the Bank's capital management objectives, policies and processes as of December 31, 2025 and 2024.

Capital Allocation
The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risks associated with different activities. In such cases, the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken by the ExeCom.

Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision-making. Also taken into account are synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the BOD.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements the BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this Circular, the Parent Bank has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Parent Bank. The level and structure of capital are assessed and determined in light of the Parent Bank's business environment, plans, performance, risks and budget, as well as regulatory edicts.

The Parent Bank submitted its annually updated ICAAP document, in compliance with BSP requirements on March 31, 2025. The document disclosed that the Parent Bank has an appropriate level of internal capital relative to the Group's risk profile.

Regulatory Qualifying Capital

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

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00%. Qualifying capital and risk-weighted assets are computed based on BSP regulations. Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by deposit 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 August 4, 2006, the BSP, under Circular No. 538, issued the prescribed guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform to Basel II capital adequacy framework. The new BSP guidelines took effect on July 1, 2007. Thereafter, banks were required to compute their capital adequacy ratio (CAR) using these guidelines.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by Standard & Poor's, Moody's and Fitch, while PhilRatings were used on peso-denominated exposures to Sovereigns, MDBs, Banks, Local Government Units, Government Corporations and Corporates.

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

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and this ratio shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III. Capital instruments issued under BSP Circular Nos. 709 and 716 (the Circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2015. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

On April 28, 2020, the BSP issued BSP Memorandum No. M-2020-34 *Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk –Based Capital Adequacy Framework,* which provides temporary relaxation in the assigned credit risk weight for loans to micro, small and medium enterprises (MSMEs) for purposes of computing compliance with the BSP's Risk-Based Capital Adequacy Frameworks.

The following exposures to MSMEs, as defined under Basel III shall be assigned a credit risk weight of 50 percent:

a. MSME exposures that meet the criteria of qualified MSME portfolio, and
b. Current MSME exposures that do not qualify as a highly diversified MSME portfolio

The foregoing provision under BSP Memorandum No. M-2020-34 shall apply until December 31, 2021. However, it was extended until December 31, 2023 by the subsequent issuance of BSP Memorandum No. M-2022-004 *Extension of BSP Prudential Relief Measures* and further extended until June 30, 2023 by the subsequent issuance of BSP Memorandum No. M-2022-041 *Extension of BSP Prudential Relief Measure on the Relaxation in the Credit Risk Weight for Loans to MSMEs under the BSP's Risk-Based Capital Adequacy Frameworks*.

The Bank has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis.

The CAR of the Bank as reported to the BSP as of December 31, 2025 and 2024 are shown in the tables below (amounts in thousands).

	2025	2024
CET 1 capital	**₱17,906,858**	₱15,200,490
Additional Tier 1 capital	**2,164**	2,164
Tier 1 capital	**17,909,022**	15,202,654
Tier 2 capital	**1,351,016**	1,297,405
Total qualifying capital	**19,260,039**	16,500,059
Risk weighted assets	**₱156,045,722**	₱137,133,334
CET 1 capital ratio	**11.48%**	11.08%
Tier 1 capital ratio	**11.48%**	11.09%
Capital adequacy ratio	**12.34%**	12.03%

The regulatory qualifying capital of the Bank consists of Tier 1 (core) capital, which comprises of paid-up common stock, DFFS, hybrid capital securities, deficit including results of current year operations, surplus reserves and non-controlling interest less required deductions such as unsecured credit accommodations to directors, officers, stockholders and related interests (DOSRI), deferred income tax, and goodwill. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes general loan loss provision and appraisal increment authorized by the MB.

On October 9, 2014, the BSP issued BSP Circular No. 854 which amends the provisions of the Manual of Regulations for Banks on the minimum capitalization of banks and on the prerequisites for the grant of authority to establish a branch. Based on this Circular, the Bank is required to maintain a minimum capitalization of ₱2.00 billion.

Leverage Ratio
On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel 3 Leverage Ratio (BLR) in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio shall be implemented as a Pillar 1 minimum requirement effective on July 1, 2018.

The BLR of the Bank as of December 31, 2025 and 2024 as reported to the BSP are shown in the table below (amounts in thousands).

	2025	2024
Tier 1 Capital	**₱17,909,022**	₱15,202,654
Exposure Measure	**215,983,023**	187,937,207
Leverage Ratio	**8.29%**	8.09%

Liquidity Coverage Ratio
On February 18, 2016, the BSP issued Circular No. 905 approving the liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel 'II's Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. As of December 31, 2025 and 2024, the LCR of the Bank as reported to the BSP, in single currency is 126.21% and 119.89%, respectively.

Net Stable Funding Ratio
On May 24, 2018, the BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel 'II's NSFR aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the LCR, which promotes short-term resilience of a Bank's liquidity profile. As of December 31, 2025 and 2024, the NSFR of the Bank as reported to the BSP is 123.65% and 121.89%, respectively.

19. **Miscellaneous Income and Expenses**

Miscellaneous income comprises the following:

	2025	2024	2023
Recovery on charged off assets	**₱166,649,204**	₱166,850,350	₱145,026,793
Bancassurance activities (Note 23)	**49,504,533**	51,316,372	42,539,804
Foreign exchange gains (losses) – net	**(36,847)**	1,894,163	2,487,346
Dividends	**–**	–	919,149
Others	**67,812,540**	41,903,352	22,489,090
	₱283,929,430	₱261,964,237	₱213,462,182

Others include renewal fees, checkbook charges, break funding cost and other miscellaneous income.

Miscellaneous expenses consist of:

	2025	2024	2023
Service fees	**₱247,951,775**	₱199,136,865	₱154,651,418
Repairs and maintenance fees	**71,802,081**	46,258,168	44,235,428
Supervision and administrative expenses	**49,769,017**	39,394,074	34,435,583
Freight	**38,156,130**	34,489,088	26,561,864
Advertising	**21,724,649**	18,841,816	21,369,444
Athletic or cultural expenses	**4,367,068**	5,637,506	2,113,738
Clearing and processing fees	**3,523,233**	3,506,525	3,477,824
Fines, penalties, and other charges	**2,969,965**	33,508,707	35,001,307
Membership fees and dues	**755,980**	975,092	688,105
Others	**114,109,555**	67,568,492	53,526,861
	₱555,129,453	₱449,316,333	₱376,061,572

Service fees include fees paid to government entities for the collection and remittance of loan repayments from borrowers via the automatic payroll deduction system.

Supervision and administrative fees include BSP supervision and PDIC fees, and support operation service expenses.

Others include costs and expenses related to notarial and registration requirements, credit and background investigations, pre-employment medical examinations, meetings and recruitment activities, association and condominium dues, referral and broker’s commissions, outsourced services for the distribution of statements of account, and compliance with documentation requirements of various government agencies.

20. **Retirement Plan**

The Bank has two separate funded noncontributory defined benefit retirement plans, which are being managed by the trust department of CBC (Note 23). These retirement plans cover all the Bank's officers and regular employees who are entitled to cash benefits after satisfying certain age and service requirements.

The Bank's annual contribution to the retirement plan consists of a payment covering the current service cost, unfunded actuarial accrued liability and interest on such unfunded actuarial liability.

The latest actuarial valuation study of the retirement plans was made as of December 31, 2025. The principal actuarial assumptions as of December 31, 2025 and 2024 used in determining the retirement obligation for the Bank's retirement plans are shown below:

	2025	2024
Discount rate	**5.89%**	5.91%
Salary increase rate	**6.00%**	6.00%

As of December 31, 2025 and 2024, retirement liability (asset) is comprised of the following:

	2025	2024
Fair value of plan assets	**₱744,441,608**	₱696,938,713
Present value of defined benefit obligation	**808,169,649**	647,138,193
Retirement liability (asset) (Notes 13 and 16)	**(₱63,728,041)**	₱49,800,520

The movements in the defined retirement asset, present value of defined benefit obligation and fair value of plan assets follow:

	2025												
		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2025	Current service cost	Net interest	Gain/Loss due to settlement	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains	Contribution by employer	December 31, 2025
	(a)	(b)	(c)	(d)	(e) = b + c + d	(f)	(g)	(h)	(i)	(j)	(k) = g + h + i + j	(l)	(m) = a + e + f + k + l
Fair value of plan assets	₱696,938,713	₱–	₱41,189,078	₱–	₱41,189,078	(₱32,993,686)	(₱43,067,498)	₱–	₱–	₱–	(₱43,067,498)	₱82,375,001	₱744,441,608
Present value of defined benefit obligation	647,138,193	95,538,801	38,245,868	–	133,784,669	(32,993,686)	–	60,903,323	530,809	(1,193,659)	60,240,473	–	808,169,649
Net defined benefit asset/(liability)	₱49,800,520	(₱95,538,801)	₱2,943,210	₱–	(₱92,595,591)	₱–	(₱43,067,498)	(₱60,903,323)	(₱530,809)	₱1,193,659	(₱103,307,971)	₱82,375,001	(₱63,728,041)

	2024												
		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2024	Current service cost	Net interest	Gain/Loss due to settlement	Net pension expense*	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Changes in remeasurement gains	Contribution by employer	December 31, 2024
	(a)	(b)	(c)	(d)	(e) = b + c + d	(f)	(g)	(h)	(i)	(j)	(k) = g + h + i + j	(l)	(m) = a + e + f + k + l
Fair value of plan assets	₱618,989,924	₱–	₱36,891,799	₱–	₱36,891,799	(₱30,758,148)	₱26,578,339	₱–	₱–	₱–	₱26,578,339	₱45,236,799	₱696,938,713
Present value of defined benefit obligation	549,605,090	82,729,924	32,756,463	–	115,486,387	(30,758,148)	–	(2,272,486)	1,449,025	13,628,325	12,804,864	–	647,138,193
Net defined benefit asset	₱69,384,834	(₱82,729,924)	₱4,135,336	₱–	(₱78,594,588)	₱–	₱26,578,339	₱2,272,486	(₱1,449,025)	(₱13,628,325)	₱13,773,475	₱45,236,799	₱49,800,520

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

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The Bank expects to contribute ₱123.40 million to its defined retirement plan in 2026.

The carrying values of total plan assets which approximate their fair values as of the end of the reporting periods are as follows (in thousands):

	2025	2024
Cash and cash equivalents (Note 23)	**₱107**	₱98
Government and corporate debt instruments	**376,908**	437,346
Equity securities	**145,977**	154,619
Investment in Unit Investment Trust Fund (UITF)	**217,639**	100,831
Accrued interest receivable	**6,118**	6,465
Other accountabilities	**(2,307)**	(2,420)
	₱744,442	₱696,939

The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, assuming all other assumptions were held constant (in thousands):

	2025	2024
Discount rate		
1.00%	**(₱24,120)**	(₱29,687)
(1.00%)	**28,935**	34,628
Salary increase rate		
1.00%	**28,081**	33,177
(1.00%)	**(23,989)**	(29,165)

Shown below is the maturity analysis of the undiscounted benefit payments (in thousands):

	2025	2024
Less than five years	**₱290,801**	₱239,178
More than five years to ten years	**753,330**	657,260
More than ten years to fifteen years	**737,375**	682,982
More than fifteen years to twenty years	**1,757,993**	1,453,424
More than twenty years	**15,384,239**	12,855,741

The average duration of the defined benefit obligation as at December 31, 2025 and 2024 is 7 years respectively.

21. **Lease Contracts**

Bank as lessee
The Bank leases the premises occupied by its branches. The lease contracts are for periods ranging from one (1) to forty (40) years from the dates of contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, which generally bear an annual rent increase ranging from 5.00% to 15.00%.

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱784,672,010**	₱765,254,637
Additions	**130,633,777**	244,843,515
Interest expense	**51,147,866**	61,370,207
Payments	**(287,899,995)**	(233,383,875)
Terminations and adjustments	**(4,507,485)**	(53,412,474)
Balance at end of year	**₱674,046,173**	₱784,672,010

Expenses related to short-term leases amounting to ₱209.82 million, ₱161.38 million and ₱152.22 million in 2025, 2024 and 2023, respectively, are included in the 'Occupancy costs'.

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one year	**₱24,586,236**	₱17,735,275
After one year but not more than five years	**583,867,589**	615,862,786
After more than five years	**159,676,429**	273,959,081
	₱768,130,254	₱907,557,142

Bank as lessor
The Bank has also entered into commercial property leases on its investment properties, most of which are with related parties (Note 23). These non-cancelable leases have remaining lease terms of between one to ten years.

Future minimum rentals receivable under non-cancelable operating leases follows:

	2025	2024
Within one year	**₱14,326,065**	₱43,998,394
After one year but not more than five years	**23,040,042**	14,394,310
	₱37,366,107	₱58,392,704

22. Income and Other Taxes

Income taxes include corporate income tax and FCDU final taxes, as discussed below, and final tax paid at the rate of 20.00% on gross interest income from government securities and other deposit substitutes. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for (benefit from) income tax' in the statements of income.

Republic Act (RA) No. 9337, *An Act Amending National Internal Revenue Code*, as amended by RA 10963 otherwise known as the Tax Reform For Acceleration and Inclusion (TRAIN) and RA 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises (CREATE), provides that regular corporate income tax (RCIT) shall be 25.00% while interest expense allowed as a deductible expense is reduced by 20.00% of interest income subject to final tax.

CREATE Law reduced the rate of Minimum Corporate Income Tax (MCIT) from 2.00% to 1.00%, however, Revenue Memorandum Circular (RMC) No. 69-2023 reverted MCIT to 2.00% starting July 1, 2023. Accordingly, for the taxable year ended December 31, 2023, the Company applied 1.50% effective MCIT rate. An MCIT of 2.00% on gross income is computed and compared with the

RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the NOLCO is allowed as a deduction from taxable income in the next three years from the year of inception.

Effective in May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with nonresidents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% gross income tax. All other income of the FCDU is subject to the 25.00% corporate tax under the CREATE Law.

<u>CMEPA Law</u>
RA No. 12214 otherwise known as Capital Markets Efficiency Promotion Act (CMEPA) was signed into law last May 29, 2025. The law took effect on July 1, 2025.

The key changes to the Philippine tax law pursuant to the CMEPA Law which have an impact to the Group are the following:

- Standardization of 20.00% final tax on any currency deposits, regardless of tenure (i.e., removing the previous tax exemption on interest income from long-term deposits), except for non-resident alien not engaged in trade or business (NRANETB) and non-resident foreign corporation (NRFC), whose interest income will still be subject to 25.00% final withholding tax (FWT);
- Gains realized from long-term bonds, debentures, or other certificate of indebtedness are now part of gross income, therefore, subject to 25.00% RCIT;
- Exclusion from gross income of gains from redemption of shares of units of participation in mutual fund and unit investment trust fund (UITF), thus, exempt from 25.00% RCIT, provided that prior to such redemption, final taxes due on realized gains have been withheld at the level of the underlying assets;
- Revised Documentary Stamp Tax (DST) rate of 75.00% of 1.00% on original issuance of shares and debt instruments while original issuances of UITFs and mutual funds are now exempt from DST, as well as the sale, exchange, redemption or other disposition of shares of stock listed and traded through a foreign stock exchange.
- Exclusion of Reverse Repurchase Agreements with BSP under the definition of deposit substitute. Interest income from reverse repurchase transaction is now subject to 25.00% RCIT, which was previously subject to final withholding tax.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1.00% of the Bank's net revenue.

Provision for (benefit from) income tax consists of:

	2025	2024	2023
Current			
MCIT	**₱111,377,045**	₱–	₱–
RCIT	**180,496**	121,032,569	172,796,391
Final tax	**428,315,996**	374,825,272	275,839,900
	539,873,537	495,857,841	448,636,291
Deferred	**(145,007,308)**	(235,266,906)	(141,571,529)
	₱394,866,229	₱260,590,935	₱307,064,762

Components of net deferred tax assets are as follows:

	2025	2024
Deferred tax asset on		
Allowance for impairment and credit losses of financial and other assets	**₱1,241,219,545**	₱1,268,317,645
Unamortized service fee income	**425,051,784**	403,536,747
Lease liabilities	**168,511,543**	197,625,166
Accumulated depreciation and allowance for impairment of investment properties	**152,383,535**	169,157,298
Excess MCIT over RCIT	**102,048,278**	–
Retirement liability	**15,932,010**	–
	2,105,146,695	2,038,636,856
Deferred tax liability on		
Right-of-use assets	**(144,936,255)**	(173,687,008)
Net unrealized gain on repossessed assets	**(63,445,122)**	(123,825,583)
Accrued lease receivable	**(1,419,841)**	(1,469,938)
Retirement asset	**–**	(12,450,130)
	(209,801,218)	(311,432,659)
	₱1,895,345,477	₱1,727,204,197

Deferred tax charged (credited) directly to OCI amounted to (₱23.13 million), ₱3.44 million, and (₱13.90 million) in 2025, 2024, and 2023, respectively.

The Bank did not set up deferred tax assets on the temporary differences arising from allowance for impairment and credit losses of financial and other assets amounting to ₱0.30 billion and ₱0.25 billion in 2025 and 2024, respectively, as it believes that it is highly probable that these temporary differences will not be realized in the near foreseeable future.

The reconciliation between the statutory income tax and effective income tax follows:

	2025	2024	2023
Statutory income tax	**₱700,700,221**	₱607,777,057	₱533,722,542
Tax effects of			
Nontaxable and tax-paid income	**(413,302,513)**	(418,737,769)	(281,142,753)
Nondeductible expenses	**96,448,590**	132,103,305	96,554,369
FCDU income	**(2,312,435)**	(2,595,774)	(3,702,039)
Movement in unrecognized deferred tax assets	**13,332,366**	(57,955,884)	(38,367,357)
Effective income tax	**₱394,866,229**	₱260,590,935	₱307,064,762

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 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;
- associates; and
- post-employment benefit plans for the benefit of the Bank's employees.

Generally, the related party transactions are settled in cash. There are no provisions for credit losses in 2025 and 2024 in relation to amounts due from related parties.

Transactions with Retirement Plans
The Trust Department of the Parent Bank manages the retirement plans of the Bank. The total fair value of the retirement fund as of December 31, 2025 and 2024 amounted to ₱744.44 million and ₱696.94 million, respectively. The details of the assets of the fund as of December 31, 2025 and 2024 are disclosed in Note 20.

Significant transactions of the retirement fund, particularly with related parties, are approved by the Retirement Committee (RC) of the Bank. The members of the RC are directors and key management personnel of the Bank.

As of December 31, 2025 and 2024, cash and cash equivalents of the retirement plan amounting to ₱0.11 million and ₱0.11 million, respectively, are held by the Bank and earn an annual interest rate of 0.13%.

Interest income on the retirement plan's cash and cash equivalents amounted to ₱0.25 million in 2025 and 2024, respectively.

Remunerations of Directors and other Key Management Personnel
Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Management Committee as key management personnel for purposes of PAS 24 – Related Party Disclosure.

The compensation of key management personnel included under 'Compensation and benefits' in the statement of income are as follows (in thousands):

	2025	2024	2023
Short-term employee benefits	**₱48,904**	₱40,577	₱40,162
Post-employment benefits	**2,952**	1,761	1,647
	₱51,856	₱42,338	₱41,809

In 2025, 2024 and 2023, no remunerations were given to the directors of the Bank who are also occupying key management positions with the ultimate parent bank.

The Bank also provides banking services to key management personnel and persons connected to them. These transactions are presented in the tables below.

December 31, 2025			
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Key Management Personnel			
Loans and receivables		**₱1,788,804**	These are loans with an average interest rate of 5.00% and unimpaired.
Issuances	**₱–**		
Repayments	**(447,286)**		
Deposit liabilities		**211,154,017**	These are savings and time deposit accounts with average annual interest rates of 0.14% and 5.31%, respectively.
Deposits	**93,714,562**		
Withdrawals	**(5,456,466)**		
Other Related Party			
Deposit liabilities		**186,661,561**	These are savings and time deposit accounts with average annual interest rate of 0.11% and 4.63%, respectively.
Deposits	**16,612,275**		
Withdrawals	**(87,124,707)**		

December 31, 2024			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Key Management Personnel			
Loans and receivables		₱2,236,090	These are loans with an average interest rate of 5.00% and unimpaired.
Issuances	₱–		
Repayments	(424,843)		
Deposit liabilities		122,895,920	These are savings and time deposit accounts with average annual interest rates of 0.17% and 5.24%, respectively.
Deposits	37,073,049		
Withdrawals	(6,558,659)		
Other Related Party			
Deposit liabilities		257,173,994	These are savings and time deposit accounts with average annual interest rate of 0.13% and 5.00%, respectively.
Deposits	44,796,998		
Withdrawals	(61,969,008)		

As of December 31, 2025 and 2024, all loans to related parties are secured and no provision for credit losses was recorded.

Interest income earned and interest expense incurred from the above loans and deposit liabilities, respectively, for the years ended December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Interest income	**₱100,622**	₱122,426	₱143,152
Interest expense	**8,725,311**	5,561,033	4,535,775

Related party transactions of the Bank with the Parent Bank and affiliates are as follows:

	Parent Bank		
	2025	2024	**Nature, Terms and Conditions**
Statements of Financial Position			
Due from other banks	**₱1,179,322,009**	₱948,657,949	This pertains to cash in bank deposited with CBC that bears annual interest rates ranging from 0.05% to 0.13%.
Net movements	**230,664,060**	(34,864,169)	
Accounts receivable	**734,279**	1,001,793	This pertains to receivable from CBC for unpaid rental.
Security deposit	**9,567,844**	9,109,809	This pertains to the rental deposits for office space leased out to CBC.

	Parent Bank			
	2025	2024	2023	**Nature, Terms and Conditions**
Statements of Income				
Interest income	**₱1,166,115**	₱1,067,410	₱949,017	This pertains to interest income earned from cash in bank deposited with CBC and loans and receivable
Income from property rentals	**43,062,734**	41,040,646	39,168,377	Certain units of the properties owned by the Bank are being leased to CBC for a term ranging from 3 to 5 years, with an annual escalation rate of 5%.

	Other Related Party		
	2025	2024	**Nature, Terms and Conditions**
Statements of Financial Position			
Accounts payable	**₱34,577,538**	₱51,670,962	These are non-interest-bearing insurance premiums held on behalf of loan borrowers to be subsequently remitted to CIBI.
Security deposit	**2,312,201**	1,872,372	These pertain to rental deposits for office space leased out to CIBI.

	Other Related Parties			
	2025	2024	2023	**Nature, Terms and Conditions**
Statements of Income				
Income from property rentals	**₱9,151,947**	₱8,814,517	₱8,394,778	Certain units of the properties owned by the Bank are being leased to CIBI for a term of 5 years, with 5% annual escalation clause.
Miscellaneous income	**49,504,533**	51,316,372	42,539,804	Bancassurance fees earned based on successful referrals.
Data processing and information technology	**14,214,341**	15,312,314	14,037,336	This pertains to the computer and general banking services provided by CBC−PCCI to the Bank to support its reporting requirements.

Outright purchases and outright sales of debt securities of the Bank with CBC are as follows:

	2025	2024	2023
Outright purchase	**₱626,589,998**	₱1,226,705,801	₱21,267,253,155
Outright sale	**(258,614,196)**	(659,315,012)	–

As of December 31, 2025, government security that are pledged to CBC in compliance with DOSRI rules is nil.

As of December 31, 2024, government securities with par value of ₱260.00 million and carrying value of ₱259.60 million are pledged to CBC in compliance with DOSRI rules.

As of December 31, 2025 and 2024, the number of common shares held by the Parent Bank is 125.00 million. The Parent Bank does not hold preferred shares of the Bank in 2025 and 2024.

There have been no guarantees provided for the related party receivables or payables.

24. Commitments and Contingencies

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these transactions.

The Bank has several suits and claims that remain unsettled. It is not practicable to estimate the potential financial statement impact of these contingencies. However, in the opinion of management, the suits, and claims, if decided adversely, will not involve sums having a material effect on the financial statements.

Commitments and contingencies
The following is a summary of contingencies and commitments of the Bank with the equivalent peso contractual amounts:

	2025	2024
Credit lines	**₱2,510,123,201**	₱2,278,812,983
Standby domestic letters of credit	**52,823,866**	53,675,556
Late deposits/payments received	**4,910,787**	3,661,569
Outward bills for collection	**2,151,409**	2,116,827
Others	**198,497**	231,924
	₱2,570,207,760	₱2,338,498,859

25. Notes to Statements of Cash Flows

The following is a summary of non-cash activities:

	2025	2024	2023
Non-cash investing activities			
Recognition of NCAHS arising from repossession of chattel mortgage on loans and receivables (Note 9)	**₱1,231,057,010**	₱1,004,896,274	₱437,485,346
Recognition of investment properties from foreclosure of real estate mortgage on loans and receivables (Note 11)	**431,888,291**	397,609,282	587,491,148
Additions of right-of-use assets (Note 10)	**130,633,777**	244,843,515	413,520,745
Reclassification from NCAHS to property and equipment	**18,150,900**	–	–
Reclassification from NCAHS to other assets	**(50,591,591)**	–	–
Non-cash financing activities			
Additions to lease liabilities	**130,633,777**	244,843,515	413,520,745

The Bank's cash flows from financing liabilities pertain to lease liabilities where movements are disclosed in Note 21.

26. Offsetting of Financial Assets and Liabilities

PFRS 7 requires the Bank to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements.

As of December 31, 2025, the effects of these arrangements are disclosed below (amounts in thousands).

	2025				
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]**
	[a]	**[b]**	**[c]**	**[d]**	**[e]**
Financial assets					
SPURA (Note 6)	**₱5,600,000**	**₱–**	**₱5,600,000**	**₱5,600,000**	**₱–**

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, whether cash or non-cash collateral, excluding the extent of over-collateralization.

There were no outstanding financial instruments as of December 31, 2024 that are subject to offsetting arrangements.

27. Business Combination

In accordance with PIC Q&A 2012-01, the Bank elected to use the ‘pooling of interests’ method in accounting for its merger with PDB and Unity Bank in 2015 and 2014, respectively.

Merger with PDB
On June 26, 2014, the BOD approved the merger of the Bank with PDB. The terms of the Plan and Articles of Merger were approved by the Bank’s stockholders in their meeting held on August 14, 2014, with the Bank as the surviving entity.

On June 25, 2015, the MB, in its Resolution Nos. 789 and 1559, approved the Plan and Articles of Merger of the Bank and PDB subject to certain conditions. On December 17, 2015, the Bank obtained approval from the SEC for the merger to be effective. The actual merger took place on December 31, 2015. As of the effective date of merger, all common and preferred shares of PDB have been converted into fully paid China Bank Savings common shares totaling to 16,501,093 shares. The Bank recognized ‘Other equity reserves’ amounting to ₱1.94 billion as a result of the merger with PDB.

Merger with Unity Bank
On June 6, 2013, the BOD approved the merger of the Bank with Unity Bank. The terms of the Plan of Merger were approved by the Bank’s stockholders in their meeting held on July 18, 2013, with the Bank as the surviving entity. On November 22, 2013, the MB, in its Resolution No. 1949, approved the Plan of Merger and Articles of Merger of the Bank and Unity Bank subject to certain conditions. On January 20, 2014, the Bank obtained approval from the SEC for the merger to be effective. Under the approved plan of merger, all the issued and outstanding common stocks of Unity Bank (“Unity shares”), as well as shares that have been subscribed but have not been issued or covered by Stock Purchase Agreement, shall be convertible into fully paid and non-assessable common stock of CBS at the approximate ratio of 1.144 Unity Bank common shares for every CBS common share (the “Exchange Ratio”). The actual merger took place on January 31, 2014. The Bank issued 5,173,881 common shares and recognized ‘Other equity reserves’ amounting to ₱303.96 million as a result of the merger with Unity Bank.

28. Approval of the Release of Financial Statements

The accompanying financial statements were authorized for issue by the Bank's BOD on March 19, 2026.

29. Supplementary Information Required Under BSP Circular No. 1074

Presented below is the supplementary information required by BSP under Appendix 55 of BSP Circular No. 1074 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

Basic quantitative indicators of financial performance
The following basic ratios measure the financial performance of the Bank:

	2025	2024	2023
Return on average equity (ROE)	**12.31%**	12.96%	12.84%
Return on average asset (ROA)	**1.18%**	1.25%	1.30%
Net interest margin over average earning assets (NIM)*	**5.20%**	5.04%	5.47%

**Had the Bank excluded the interest expense on lease liabilities, NIM is 5.22%, 5.08% and 5.51% for the years ended December 31, 2025, 2024 and 2023, respectively.*

Description of capital instruments issued
The Bank's capital instruments are as follows:

	2025		2024	
	Shares	**Amount**	Shares	Amount
Preferred stock – ₱100 par value				
Authorized shares	**6,000,000**		6,000,000	
Issued and outstanding:				
Balance at beginning and end of year	**21,642**	**₱2,164,200**	21,642	₱2,164,200
Common stock – ₱100 par value				
Authorized shares	**134,000,000**		134,000,000	
Issued and outstanding:				
Balance at beginning of year	**115,414,149**	**11,541,414,900**	115,414,149	11,541,414,900
Issuance during the year	**10,000,000**	**1,000,000,000**	–	–
Balance at end of year	**125,414,149**	**12,541,414,900**	115,414,149	11,541,414,900
	125,435,791	**₱12,543,579,100**	115,435,791	₱11,543,579,100

Significant credit exposures

The BSP considers that loan concentration exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. Identified concentration of credit risks are managed and controlled (amounts are in thousands).

	2025							
	Loans and receivables	**%**	**Other financial assets***	**%**	**Off-balance sheet exposures****	**%**	**Total**	**%**
Consumer	**₱100,841,896**	**65.00**	**₱1,121,325**	**2.00**	**₱–**	–	**₱101,963,221**	**47.71**
Government	–		**48,923,320**	**87.33**	–	–	**48,923,320**	**22.89**
Real estate, renting and business services	**38,118,226**	**24.57**	**699,661**	**1.25**	**241,081**	**9.38**	**39,058,968**	**18.28**
Agriculture	**4,444,229**	**2.86**	**49,418**	**0.09**	**141,949**	**5.52**	**4,635,596**	**2.17**
Wholesale and retail trade	**3,462,618**	**2.23**	**38,503**	**0.07**	**303,432**	**11.81**	**3,804,553**	**1.78**
Financial intermediaries	**37,751**	**0.02**	**3,327,539**	**5.94**	**960**	**0.04**	**3,366,250**	**1.58**
Manufacturing	**1,701,430**	**1.10**	**18,919**	**0.03**	**250,736**	**9.76**	**1,971,085**	**0.92**
Transportation, storage and communication	**1,341,671**	**0.86**	**14,919**	**0.03**	**28,200**	**1.10**	**1,384,790**	**0.65**
Electricity, gas, steam and air-conditioning supply	**1,234,294**	**0.80**	**13,725**	**0.02**	**3,500**	**0.14**	**1,251,519**	**0.59**
Construction	**1,042,700**	**0.67**	**11,594**	**0.02**	**67,300**	**2.62**	**1,121,594**	**0.52**
Health and social work	**943,978**	**0.61**	**10,497**	**0.02**	–	–	**954,475**	**0.45**
Education	**541,337**	**0.35**	**6,019**	**0.01**	**82,462**	**3.20**	**629,818**	**0.29**
Hotels and restaurant	**554,332**	**0.36**	**6,164**	**0.01**	–	–	**560,496**	**0.26**
Other community, social and personal services	**418,847**	**0.27**	**4,657**	**0.01**	–	–	**423,504**	**0.20**
Others	**452,449**	**0.29**	**1,774,831**	**3.17**	**1,450,588**	**56.43**	**3,677,868**	**1.71**
Total	**155,135,758**	**100.00**	**56,021,091**	**100.00**	**2,570,208**	**100.00**	**213,727,057**	**100.00**
Allowance for impairment and credit losses	**(3,361,665)**		**(712,224)**		**–**		**(4,073,889)**	
Net	**₱151,774,093**		**₱55,308,867**		**₱2,570,208**		**₱209,653,168**	

* *Other financial assets include the following: due from BSP, due from other banks, SPURA, financial assets at FVPL, financial assets at FVOCI, investments securities at amortized cost and other financial assets.*

** *These consist of credit lines, standby domestic letters of credit and outward bills for collection.*

	2024							
	Loans and receivables	%	Other financial assets*	%	Off-balance sheet exposures**	%	Total	%
Consumer	₱88,228,255	64.37	₱1,039,422	2.26	₱–	–	₱89,267,677	48.15
Government	–	–	40,314,347	87.63	–	–	40,314,347	21.74
Real estate, renting and business services	34,996,850	25.53	412,300	0.90	239,031	10.22	35,648,181	19.23
Wholesale and retail trade	2,560,163	1.87	30,161	0.07	166,116	7.10	2,756,440	1.49
Agriculture	3,513,582	2.56	41,394	0.09	8,000	0.34	3,562,976	1.92
Financial intermediaries	202,818	0.15	2,339,166	5.08	1,049	0.04	2,543,033	1.37
Manufacturing	2,054,205	1.50	24,201	0.05	170,048	7.27	2,248,454	1.21
Electricity, gas, steam and air-conditioning supply	1,401,411	1.02	16,510	0.04	5,000	0.21	1,422,921	0.77
Transportation, storage and communication	1,229,412	0.90	14,484	0.03	4,004	0.17	1,247,900	0.67
Construction	655,084	0.48	7,718	0.02	56,683	2.42	719,485	0.39
Hotels and restaurant	581,082	0.42	6,846	0.01	–	–	587,928	0.32
Health and social work	540,657	0.39	6,370	0.01	–	–	547,027	0.30
Education	492,459	0.36	5,802	0.01	450	0.02	498,711	0.27
Other community, social and personal services	233,277	0.17	2,748	0.01	–	–	236,025	0.13
Others	373,780	0.28	1,743,128	3.79	1,688,118	72.19	3,805,026	2.04
Total	137,063,035	100.00	46,004,597	100.00	2,338,499	100.00	185,406,131	100.00
Allowance for impairment and credit losses	(3,372,780)		(741,563)		–		(4,114,343)	
Net	₱133,690,255		₱45,263,034		₱2,338,499		₱181,291,788	

* *Other financial assets include the following: due from BSP, due from other banks, SPURA, financial assets at FVOCI, investments securities at amortized cost and other financial assets.*

** *These consist of credit lines, standby domestic letters of credit and outward bills for collection.*

The BSP considers significant credit exposures when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 18).

Status of loans
Information on the amounts of performing and non-performing loans (NPLs) and receivables (gross of allowance for impairment and credit losses) of the Bank are as follows:

	2025			2024		
	Performing	**Non-Performing**	**Total**	Performing	Non-Performing	Total
Loans and discounts						
Consumer lending	**₱132,189,611,364**	**₱3,465,704,613**	**₱135,655,315,977**	₱117,940,129,892	₱2,542,652,865	₱120,482,782,757
Corporate and commercial lending	**16,909,120,392**	**927,253,385**	**17,836,373,777**	13,626,937,587	1,336,297,348	14,963,234,935
Others	**9,010,698**	**3,135,943**	**12,146,641**	9,334,552	3,093,637	12,428,189
	₱149,107,742,454	**₱4,396,093,941**	**₱153,503,836,395**	₱131,576,402,031	₱3,882,043,850	₱135,458,445,881

Loans per security
Information on the amounts of secured and unsecured loans and receivables (gross of allowance for credit losses) follows:

	2025		2024	
	Amounts	**%**	Amounts	%
Loans secured by				
Real estate	**₱45,720,612,271**	**29.47**	₱40,278,903,761	29.39
Chattel mortgage	**24,182,030,842**	**15.59**	22,787,488,305	16.63
Deposit hold out and others	**759,233,287**	**0.49**	387,329,489	0.28
	70,661,876,400	**45.55**	63,453,721,555	46.30
Unsecured loans	**84,473,882,065**	**54.45**	73,609,313,015	53.70
	₱155,135,758,465	**100.00**	₱137,063,034,570	100.00

As of December 31, 2025 and 2024, secured and unsecured NPLs of the Bank follow:

	2025	2024
Secured	**₱2,161,714,884**	₱1,765,482,274
Unsecured	**2,234,379,057**	2,116,561,576
	₱4,396,093,941	₱3,882,043,850

Restructured loans as of December 31, 2025 and 2024 amounted to ₱1.25 billion and ₱1.11 billion, respectively.

The Bank's loan portfolio includes non-risk loans as defined under BSP regulations totaling ₱15.87 billion and ₱13.93 billion as of December 31, 2025 and 2024, respectively.

According to BSP Circular 941 *Amendments to the Regulations on Past Due and Non-Performing Loans* effective January 1, 2018, loans shall be considered non−performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any.

All other loans, even if not considered impaired, shall be considered non−performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Secured liability and assets pledged as security
As of December 31, 2025 and 2024, the Bank has no liability that is secured by pledged assets.

<u>*Related party loans*</u>
As required by the BSP, the Bank discloses loan transactions with its and affiliates and investees and with certain DOSRI. Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.

BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	2025		2024	
	DOSRI Loans	**Related Party Loans (inclusive of DOSRI Loans)**	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans*	**₱1,188,949,020**	**₱1,681,056,289**	₱958,186,711	₱1,443,053,958
Percent of DOSRI/Related Party loans to total loan portfolio**	**0.74%**	**1.05%**	0.71%	1.06%
Percent of unsecured DOSRI/Related Party loans to total loan portfolio	**0.36%**	**0.26%**	0.35%	0.23%
Percent past due DOSRI/Related Party loans to total loan portfolio	–	–	–	–
Percent of non–performing DOSRI/Related Party loans to total loan portfolio	–	–	–	–

** Includes deposits with CBC*
*** Total loan portfolio includes deposits with Parent Bank*

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi–bank; and the subsidiaries and affiliates of the lending bank/quasi–bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation.

Commitments and contingencies
The following is a summary of contingencies and commitments of the Bank with the equivalent peso contractual amounts:

	2025	2024
Credit lines	**₱2,510,123,201**	₱2,278,812,983
Standby domestic letters of credit	**52,823,866**	53,675,556
Late deposits/payments received	**4,910,787**	3,661,569
Outward bills for collection	**2,151,409**	2,116,827
Others	**198,497**	231,924
	₱2,570,207,760	₱2,338,498,859

30. Supplementary Information Required Under Revenue Regulations 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, hereunder are the details of percentage and other taxes paid or accrued by the Bank in 2025.

Taxes and Licenses

Gross receipts tax	₱778,208,864
Local taxes	59,344,368
Others	5,623,355
	₱843,176,587

Withholding Taxes
Details of total remittances of withholding taxes in 2025 and amounts outstanding as of December 31, 2025 are as follows:

	Total Remittances	Amounts Outstanding
Final withholding taxes	₱1,259,009,784	₱94,014,999
Withholding taxes on compensation and benefits	168,071,598	9,225,473
Expanded withholding taxes	87,591,723	6,138,991
	₱1,514,673,105	₱109,379,463

Tax assessments
The Bank has no pending tax case as of December 31, 2025.

SyCip Gorres Velayo & Co.
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1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
China Bank Savings, Inc.
CBS Building, 314 Sen. Gil Puyat Avenue
Makati City

We have audited the accompanying financial statements of China Bank Savings, Inc. (the Bank), a subsidiary of China Banking Corporation, as at and for the year ended December 31, 2025, on which we have rendered the attached report dated March 19, 2026.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Bank has a total of four hundred twenty-eight (428) stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso
Partner
CPA Certificate No. 92305
Tax Identification No. 193-975-241
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 92305-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026

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6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
China Bank Savings, Inc.
CBS Building, 314 Sen. Gil Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing the financial statements of China Bank Savings, Inc. (the Bank), a subsidiary of China Banking Corporation as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 19, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Bank's management. These schedules are presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly stated, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso
Partner
CPA Certificate No. 92305
Tax Identification No. 193-975-241
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 92305-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026

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1226 Makati City
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INDEPENDENT AUDITOR'S REPORT
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
China Bank Savings, Inc.
CBS Building, 314 Sen. Gil Puyat Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of China Bank Savings, Inc. (the Bank), a subsidiary of China Banking Corporation, as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated March 19, 2026. Our audits were made for the purpose of forming an opinion on the basic 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 Bank'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 financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Bank's financial statements as at and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Janet A. Paraiso
Partner
CPA Certificate No. 92305
Tax Identification No. 193-975-241
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 92305-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10765004, January 2, 2026, Makati City

March 19, 2026

CHINA BANK SAVINGS, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

Schedules Required under Securities Regulation Code Rule 68

CHINA BANK SAVINGS, INC.
CBS Building, 314 Sen. Gil Puyat Avenue, Makati City

Schedule A - Reconciliation of Retained Earnings Available for Dividend Declaration
For the reporting period ended December 31, 2025

Unappropriated Retained Earnings, beginning of reporting period		**₱7,307,177,302**
Less: Other equity reserves, beginning of the period	**(2,248,520,637)**	
Unrealized gain on investment properties and related accumulated depreciation, net of tax, beginning of the period	**(318,107,076)**	
Deferred tax assets, beginning of the reporting period	**(1,845,106,069)**	
Subtotal		**(4,411,733,782)**
Unappropriated Retained Earnings, beginning of the reporting period available for dividend		**2,895,443,520**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		**–**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Retained earnings appropriated during the year		**(48,447,669)**
Unappropriated Retained Earnings, as adjusted		**2,846,995,851**
Add/Less: Net Income (Loss) for the current year		**2,407,934,654**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value gain of investment properties on initial recognition		**129,454,234**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized fair value gain upon disposal of investment properties		**102,078,227**
Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		**–**
Adjusted Net Income		**2,380,558,647**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation of unrealized fair value gain of investment properties		**763,305**
Add: Category E: Adjustments related to relief granted by SEC and BSP		**–**
Add (Less): Category F: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	**154,190,981**	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction	**(362,870)**	
Subtotal		**(153,828,111)**
Total Retained Earnings, end of the reporting period available for dividend		**₱5,074,489,692**

CHINA BANK SAVINGS, INC.
Schedule B – Financial Assets
December 31, 2025

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds or notes	Amount shown in the Balance Sheet (ii)	Valued based on market quotation at end of reporting period (iii)	Income received and accrued
Financial assets at fair value through profit or loss				
Government bonds	₱50,000,000	₱50,807,228	₱50,807,228	₱3,862,172
Financial assets at fair value through other comprehensive income				
Government bonds	₱29,075,129,590	₱29,013,146,076	₱29,013,146,076	
Quoted equity securities	22 shares	34,365,156	34,365,156	
Unquoted equity securities	30,152,738 shares	7,983,596	7,983,596	
		₱29,055,494,828	₱29,055,494,828	₱1,131,709,743
Investment securities at amortized cost				
Government bonds	₱7,907,707,330	₱8,145,300,335	₱8,084,377,645	
Private debt securities	275,800,000	274,728,435	273,469,747	
	₱8,183,507,330	₱8,420,028,770	₱8,357,847,392	₱427,735,394

CHINA BANK SAVINGS, INC.
Schedule C - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2025

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written-off	Current	Non- Current	Balance at end of period

None to report.

Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

CHINA BANK SAVINGS, INC.

Schedule D – Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements
December 31, 2025

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected (i)	Amounts Written-off (ii)	Current	Non-Current	Balance at end of period

None to Report.

(i) If collected was other than in cash, explain.
(ii) Give reasons to write-off.

CHINA BANK SAVINGS, INC.
Schedule E – Intangible Assets – Other Assets
December 31, 2025

Description [i]	Beginning Balance	Additions at Cost [ii]	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions) [iii]	Ending Balance
Branch Licenses	₱74,480,000	₱–	₱–	₱–	₱–	₱74,480,000
Software	53,397,982	20,095,247	14,243,381	–	–	59,249,848

(i) The information required shall be grouped into (a) intangibles shown under the caption intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.
(ii) For each change representing other than an acquisition, clearly state the nature of the change and the other accounts affected. Describe cost of additions representing other than cash expenditures.
(iii) If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.

CHINA BANK SAVINGS, INC.
Schedule F - Long-Term Debt
December 31, 2025

Title of issue and type of obligation [(i)]	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt' in related balance sheet [(ii)]	Amount shown under caption "Long-Term Debt" in related balance sheet [(iii)]	Interest Rate %	Maturity Date

None to Report.

(i) Include in this column each type of obligation authorized.
(ii) This column is to be totaled to correspond to the related balance sheet caption.
(iii) Include in this column details as to interest rates, amounts or numbers of periodic instalments, and maturity dates.

CHINA BANK SAVINGS, INC.
Schedule G - Indebtedness to Related Parties
(Long Term Loans from Related Companies)
December 31, 2025

Name of Related Parties (i)	Balance at beginning of period	Balance at end of period (ii)

None to Report.

(i) The related parties named shall be grouped as in Schedule C. The information called for shall be stated for any persons whose investments shown separately in such related schedule.
(ii) For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

CHINA BANK SAVINGS, INC.
Schedule H - Guarantees of Securities of Other Issuers
December 31, 2025

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 (i)	Amount owned by person of which statement is filed	Nature of guarantee (ii)

None to Report.

(i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.
(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of Dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

CHINA BANK SAVINGS, INC.
Schedule I - Capital Stock
December 31, 2025

Title of Issue [i]	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 [ii]	Directors, officers and employees	Others [iii]
Common stock - ₱100 par value	134,000,000 shares	125,414,149	−	124,995,882	11	418,256
Preferred stock - ₱100 par value	6,000,000 shares	21,642	−	−	−	21,642

(i) Include in this column each type of issue authorized
(ii) Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
Indicate in a note any significant changes since the date of the last balance sheet filed

CHINA BANK SAVINGS, INC.
Schedule J – Auditor Fee-Related Information
December 31, 2025

External Auditor Fee-Related Information

	2025	2024
Audit fees	**₱3,625,280**	₱3,245,880
Non-audit fees	–	–
	₱3,625,280	₱3,245,880

Aside from the annual audit, the Company did not have any other engagements with the external auditors for the years 2025 and 2024. The Company also does not have related entities over which it has direct or indirect control on operations.

CHINA BANK SAVINGS, INC.
Financial Indicators
December 31, 2025

	2025	2024	2023
Profitability ratios			
Net income	**₱2,407,934,654**	₱2,170,517,292	₱1,827,825,406
Total average assets*	**203,371,799,268**	173,280,537,717	140,712,658,302
Return on average asset	**1.18%**	1.25%	1.30%

** Average of beginning and ending total assets*

Net income	**₱2,407,934,654**	₱2,170,517,292	₱1,827,825,406
Total average equity*	**19,559,124,804**	16,743,271,348	14,231,756,838
Return on average equity	**12.31%**	12.96%	12.84%

** Average of beginning and ending total equity*

Net interest income	**₱9,887,771,412**	₱8,133,932,504	₱7,109,071,751
Interest earning-assets**	**190,312,361,744**	161,239,849,411	129,966,912,936
Net interest margin*	**5.20%**	5.04%	5.47%

** Had the Bank excluded the interest expense on lease liabilities, NIM is 5.22%, 5.08% and 5.51% for the years ended December 31, 2025, 2024 and 2023, respectively.*

*** Includes due from BSP, due from other banks, SPURA, financial assets at FVPL, debt securities under financial assets at FVOCI and investments at amortized costs and loans receivable*

Operating expense less provision for impairment and credit losses	**₱7,153,415,684**	₱5,994,917,704	₱5,060,614,987
Operating income	**10,987,048,232**	9,199,274,834	8,211,003,726
Cost to income ratio	**65.11%**	65.17%	61.63%

Liquidity ratios			
Total liquid assets*	**₱47,574,919,037**	₱39,258,716,033	₱32,463,928,778
Total assets	**217,620,416,361**	189,123,182,174	157,437,893,260
Liquid assets to total assets	**21.86%**	20.76%	20.62%

** Includes cash and cash equivalents, financial assets at FVTPL and financial assets at FVOCI*

Total loans and receivables	**₱151,774,093,718**	₱133,690,255,054	₱110,315,101,840
Total deposit liabilities	**192,191,963,342**	166,792,872,536	137,655,230,954
Loans (net) to deposit ratio	**78.97%**	80.15%	80.14%

Asset quality ratios			
Total non-performing loans (NPL)	**₱4,396,093,941**	₱3,882,043,850	₱3,754,798,483
Total loans and receivables, gross of allowance	**153,503,836,395**	135,458,445,881	112,018,522,313
Gross non-performing loans ratio	**2.86%**	2.87%	3.35%

Total allowance for credit losses on loans and receivables	**₱3,173,294,268**	₱3,177,049,594	₱3,114,692,820
Total non-performing loans (NPL)	**4,396,093,941**	3,882,043,850	3,754,798,483
Non-performing loans (NPL) cover	**72.18%**	81.84%	82.95%

	2025	2024	2023
Solvency ratios			
Total liability	**₱196,339,627,424**	₱171,285,721,503	₱141,788,811,236
Total equity	**21,280,788,937**	17,837,460,671	15,649,082,024
Debt to equity ratio	**922.61%**	960.26%	906.05%
Total assets	**₱217,620,416,361**	₱189,123,182,174	₱157,437,893,260
Total equity	**21,280,788,937**	17,837,460,671	15,649,082,024
Asset to equity ratio	**1,022.61%**	1,060.26%	1,006.05%
Net income before tax and interest expense	**₱10,197,776,727**	₱8,770,350,252	₱6,778,055,843
Interest expense	**7,394,975,844**	6,339,242,025	4,643,165,675
Interest rate coverage ratio	**137.90%**	138.35%	145.98%
Capitalization ratios*			
CET 1 capital	**₱17,906,858**	₱15,200,490	₱13,413,236
Total risk weighted assets	**156,045,722**	137,133,334	115,170,904
CET 1 capital ratio	**11.48%**	11.08%	11.65%
Tier 1 capital	**₱17,909,022**	₱15,202,654	13,415,400
Total risk weighted assets	**156,045,722**	137,133,334	115,170,904
Tier 1 capital ratio	**11.48%**	11.09%	11.65%
Total qualifying capital	**₱19,260,039**	₱16,500,059	14,501,762
Total risk weighted assets	**156,045,722**	137,133,334	115,170,904
Capital adequacy ratio	**12.34%**	12.03%	12.59%

**Components to calculate capital ratios are expressed in thousands*