



Maybank

Redefining Progress **Humanising Impact**

Maybank Philippines
2025 Annual Report

Contents

01	Maybank Philippines Corporate Profile	12	Chairman's Message	56	Management Committee Profile
02	Redefining Progress Humanising Impact	14	President's Message	60	Corporate Governance
04	Business Model of the Bank	16	Financial Highlights	76	Risk Management
06	MPI Organizational Structure	18	2025 Key Corporate Highlights	102	Sustainability & Corporate Responsibilities
08	About Maybank Group	30	Review of Operations	126	Financial Statements
10	Group Corporate Structure	48	Board of Directors	219	Products & Services
		50	Board of Directors Profile	226	Branches & Networks
		52	Management Committee		

Maybank Philippines Corporate Profile

Maybank Philippines, Inc. (MPI) is a full-service commercial bank, serving retail, commercial, and corporate clients.

MPI offers an array of financial services and products that include lending (personal loans, commercial loans, corporate loans), deposit-taking, electronic banking, credit card, cash management services, wealth management, remittances, trust and fiduciary accounts, and treasury products and services. Maybank Philippines is also the first private commercial bank to offer Shariah-compliant products, with the launch of its Islamic Banking Unit in August 2024.

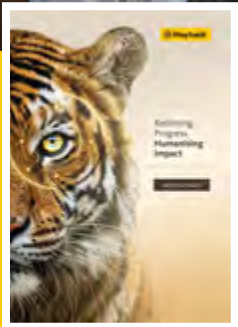
With more than 25 years of operational experience in the Philippines, the bank is well-positioned to deliver exceptional service to its clients. MPI maintains a strong nationwide presence across the country's three major island groups, supported by a robust network of 59 branches, 15 lending centres, 9 Premier Wealth Centres, and 9 branch lites. It also operates 5 Islamic Banking Units in Zamboanga, Davao, Cebu, Greenhills, and the Main Office Branch, alongside close to 80 onsite and offsite ATMs nationwide. This extensive footprint makes MPI the only foreign bank with a large branch network in the Philippines

MPI is a member of the Maybank Group, one of Asia's leading banking groups and Southeast Asia's fourth largest bank by assets. Maybank is the only bank that has operations in 10 ASEAN countries, and has presence in key financial centers such as London, New York, Hong Kong and Dubai.

The Maybank Group is present in Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Cambodia, Vietnam, Laos, Myanmar, Thailand, Hong Kong SAR & People's Republic of China, Uzbekistan, Pakistan, India, Saudi Arabia, United Arab Emirates, United Kingdom and the United States of America. The Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management.

With a deep understanding of the ASEAN markets, Maybank takes a leading role in driving economic growth and helping communities develop across the region, going beyond financial services, with focus on areas where Maybank can make a significant difference in fulfilling customers' ambitions and driving financial inclusion while supporting businesses, big and small, succeed in ASEAN and beyond.

www.maybank.com.ph



Redefining Progress. Humanising Impact.

The theme **Redefining Progress, Humanising Impact** reflects Maybank's commitment to staying anchored on what matters most amid a changing landscape — our customers and communities. As needs evolve, we are reframing progress not just in terms of growth, but through the depth of our impact, guided by our mission of Humanising Financial Services. This shapes how we respond with greater empathy, relevance, and purpose, ensuring that every step forward creates meaningful and lasting value.

Our House Brands in the Philippines



For more information, visit www.maybank.com.ph



Capital Securities

For more information, visit www.maybank-atrke.com



For more information, visit www.etiqa.com.ph

Redefining Progress Humanising Impact

In a time of change, Maybank has stayed focused on what matters most-- being there for our customers and the communities we serve. We continue to support the many lives we touch in ways that are meaningful. This has meant looking at our mission of Humanising Financial Services through a fresh lens, once that captures shifting circumstances and evolving needs.

This year's annual report theme reinforces the Bank's evolving interpretation of Humanising Financial Services through more intentional, values-based offerings. It reflects how Maybank redefined success during the year—not solely with growth metrics, but through meaningful outcomes for customers, businesses, and communities. The phrase also positions the Bank as forward-looking and transformative as it concludes its M25+ journey and lays the groundwork for the next phase of regional leadership: ROAR30.



TEAMWORK

We work together as a team based on mutual respect and dignity.

INTEGRITY

We are honest, professional and ethical in all our dealings.

GROWTH

We are passionate about constant improvement and innovation.

EXCELLENCE & EFFICIENCY

We are committed to delivering outstanding performance and superior service.

RELATIONSHIP BUILDING

We continuously build long-term and mutually beneficial partnerships.

OUR PURPOSE

We are a values-driven platform powered by a bionic workforce that humanises financial services.

OUR MISSION

Humanising Financial Services. Being at the heart of the community, we will:

- Make financial services simple, intuitive and accessible.
- Treat everyone with respect, dignity, fairness and integrity.
- Build trusted partnerships for a sustainable future together.

OUR CORE VALUES

Our T.I.G.E.R. values serve as guiding principles for all Maybankers to serve our mission of Humanising Financial Services.

Our T.I.G.E.R. values define what we believe in and what we stand for.

Our T.I.G.E.R. values guide our actions and decisions, creating an inclusive and innovative culture for positive work to thrive.

Business Model of the Bank

Our Key Strategies How We Drive Value

Together with Maybank Group, we live our mission of Humanising Financial Services. Maybank Philippines advances these imperatives to unlock opportunities and create value for the communities we serve:



Our Capitals What We Leverage



Financial Capital

We are driven by revenue growth, building a sustainable balance sheet, and growing deposits and loans.



Manufactured Capital

We are supported by a reliable branch network and enhanced digital infrastructure that strengthen our delivery capabilities.



Human Capital

We are an organisation of high performing Maybankers and Management, with diverse expertise empowered by our core values.



Social & Relationship Capital

We are anchored on strong networks and trusted relationships with the communities where we operate.

Our Stakeholders Who We Impact



Shareholders

We enhance performance and operational efficiency to deliver sustainable returns to our shareholders.



Customers

We deliver next-generation customer experiences that fulfill our customers' financial needs.



Community

Together with Maybank Foundation and Group CSR, we pursue programmes that deliver meaningful and sustainable impact across the communities we serve.



Regulators

We uphold the highest standards, ensuring our culture and practices evolve with the regulatory environment to sustain our business and serve our communities responsibly.



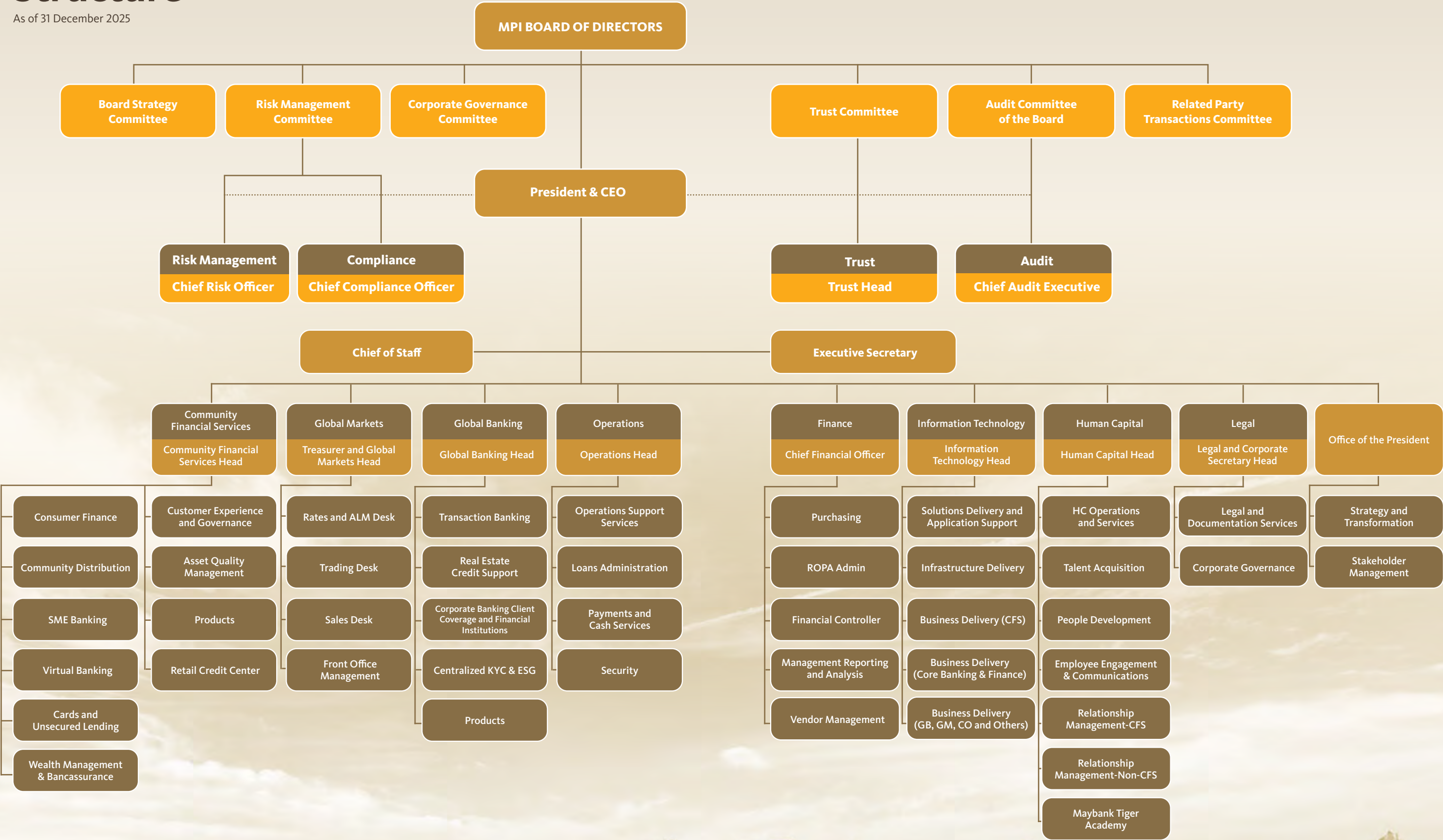
Employees

We empower our people through development programmes, a strong rewards system, and a dynamic work environment—enabling them to create positive impact in the communities we serve.



MPI Organizational Structure

As of 31 December 2025



About Maybank Group

Who We Are and What We Do

- Maybank Philippines is a member of the Maybank Group, the largest financial services group in Malaysia, with an established presence in the ASEAN region.
- Maybank provides a full suite of conventional and Shariah-compliant products and services in commercial banking, investment banking and insurance to over 16 million retail, non-retail and corporate customers.
- Maybank takes a leading role in driving economic growth and helping communities develop across the region.

Our Regional Strength and Leadership

- 4th largest bank in Southeast Asia by total assets
- Malaysia's #1 bank in terms of total assets (RM 1,053.58 billion / USD 262.76 billion*), customer deposits (RM 730.99 billion / USD 182.31 billion*), group loans (RM 686.55 billion / USD 171.22 billion*) and net profit (RM 10.51 billion / USD 2.62 billion*)
- 4th largest Islamic Bank globally, and largest in ASEAN in terms of total assets
- Over 43,300 Maybankers worldwide
- Over 60 years of experience (established in 1960)
- Sustainability leader in South East Asia

*as of 31 December 2025, per BSP Indicative Rate of 1 MYR = USD 0.2494

ASEAN PRESENCE

10
ASEAN countries

890*
Branches

29
Investment Banking (IB) branches

GLOBAL PRESENCE

18*
Countries

2,612**
Branches

29
Investment Banking (IB) branches

*Non-ASEAN countries are Greater China, India, Pakistan, Saudi Arabia, UAE, UK, USA and Uzbekistan

**Branches serve retail, non-retain and corporate customers



Strategic Business Units

HOME MARKETS		
MALAYSIA 🇲🇾 1960 📍 346 👉 Retail, SME, commercial and corporate businesses	SINGAPORE 🇸🇬 1960 [Maybank Singapore Limited (MSL) incorporated in 2018] 📍 18 (includes nine for corporate and institutional businesses) 👉 Retail and commercial businesses under MSL while corporate and institutional businesses under specific branches	INDONESIA 🇮🇩 1959 (PT Bank Maybank Indonesia Tbk) 📍 274 (includes 20 Shariah branches) 👉 Retail, non-retail and corporate businesses
OTHER MARKETS		
CAMBODIA 🇰🇲 1993 (Maybank Cambodia Plc, locally incorporated in 2012) 📍 21 👉 Retail, non-retail and corporate businesses	GREATER CHINA 🇭🇰 1962 in Hong Kong; 2000 in Shanghai, 2012 in Beijing, 2015 in Kunming and 2016 in Shenzhen 📍 Five 👉 ASEAN and domestic corporate clients and financial institutions. Also, private wealth customers through Maybank Hong Kong	INDIA 🇮🇳 1995 📍 One (Mumbai held via Maybank Indonesia) 👉 Corporate businesses (i.e: trade and remittance services across Asia)
PHILIPPINES 🇵🇭 1997 (Maybank Philippines Incorporated) 📍 59, nine branch lites with five Islamic Banking windows 👉 Retail and corporate businesses (including Islamic Banking)	THAILAND 🇹🇭 1990 initially as Nithipat Capital Co., Ltd. with name changed to Maybank Securities Thailand in 2022 📍 17 for IB and one head office 👉 Retail and institutional businesses (i.e.: brokerage, securities trading, underwriting and investment advisory services)	VIETNAM 🇻🇳 1995 📍 Two (Ho Chi Minh and Hanoi) 👉 Regional corporate businesses
LAOS 🇱🇦 2012 📍 One (Vientiane) 👉 Retail SMEs, mid-tier local and ASEAN corporate businesses	MYANMAR 🇲🇲 1994 (as representative office but full bank license in 2014) 📍 One (Yangon) 👉 Foreign and local corporates as well as domestic financial institutions	BRUNEI 🇧🇷 1960 📍 Two (Bandar Seri Begawan and Seria) 👉 Retail and commercial businesses
UK 🇬🇧 1962 📍 One (London) 👉 Regional ASEAN corporate businesses (ie: capital markets, trade finance and global market services)		USA 🇺🇸 1984 📍 One (New York) 👉 Corporate businesses (i.e.: lending, loan syndications, bilateral arrangements, treasury, capital markets and trade finance services)
		UAE 🇦🇪 2019 📍 One (Maybank Islamic Dubai-DIFC Branch) 👉 Corporate and Investment Banking (i.e.: lending - loan syndications and bilateral, global markets, capital markets, trade finance services, IB&A) and Community Financial Services (i.e.: Islamic wealth management)



Icons
🇲🇾 Established 📍 Branches 👉 Serves

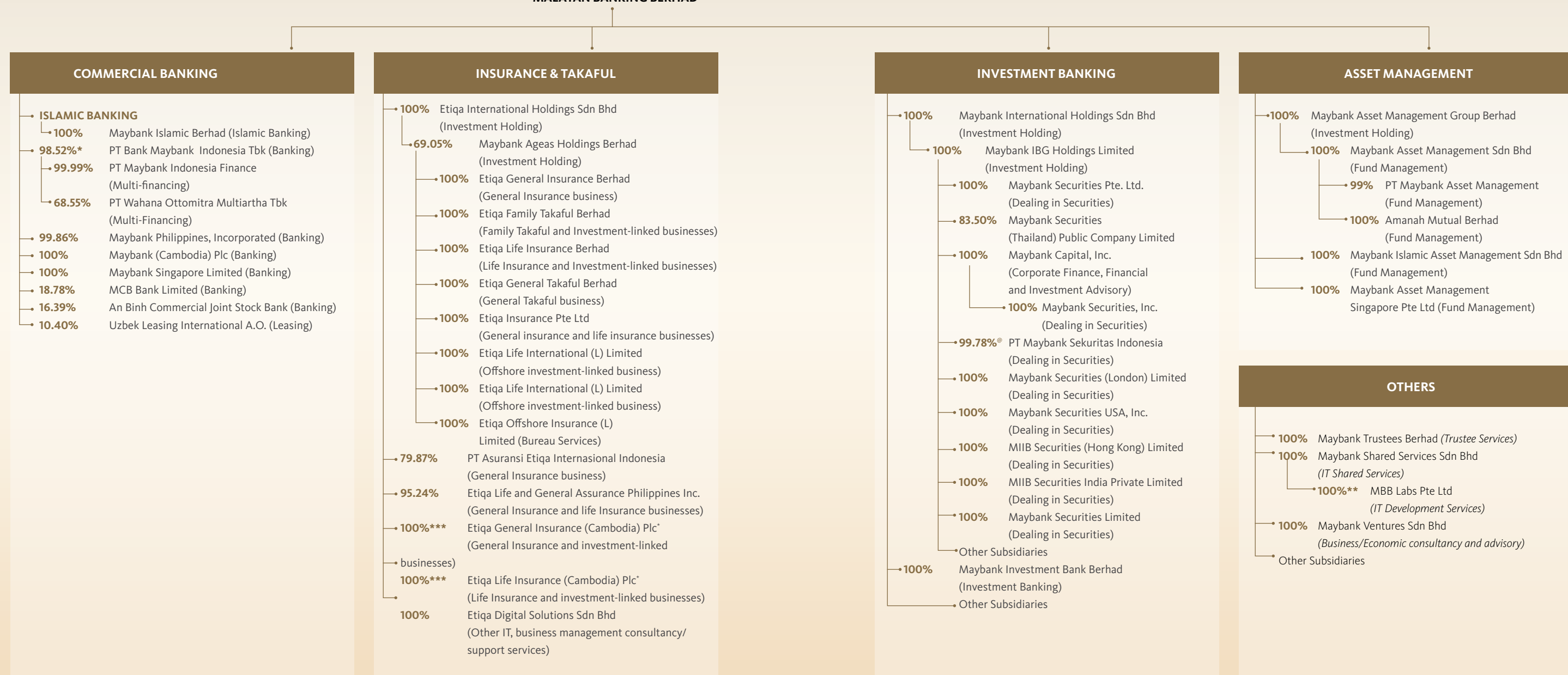
Notes
The countries not featured are Pakistan, Uzbekistan and Saudi Arabia
For more details, refer to www.maybank.com/en/maybank-worldwide.page

Group Corporate Structure

As at 31 December 2025



The operations of Maybank cover various key entities and business segments of the Group including commercial banking, insurance and Takaful, investment banking, asset management and other business segments across 18 countries.



1. This Chart is not the complete list of Maybank subsidiaries and associates. Companies that are not shown include those that are dormant, under liquidation, have ceased operations, or are property investment or nominee services companies. For the complete list refer to Maybank Group 2025 Annual Report.
2. Where investment holding companies are omitted, shareholdings are shown as effective interest.
- * Effective interest held by the Group. Please refer to the Maybank Group 2025 Annual Report Financial Book for the details.
- ** 0.01% is held by Dourado Tora Holdings Sdn Bhd.
- *** 99.98% is held by Etiqa International Holdings Sdn Bhd.
- @ Effective interest held by the Group. 85% is held by Maybank IBG Holdings Limited and 15% is held by Maybank Indonesia Finance (14.78% effective interest held by the Group)



Chairman's Message

“ Maybank Philippines navigated the year with discipline and cohesion, making a deliberate commitment to strengthen its internal foundations.

2025 was marked by a more challenging operating environment, shaped by persistent geopolitical and economic uncertainties, evolving macroeconomic conditions, and shifts across the broader financial landscape. Notwithstanding these headwinds, ASEAN demonstrated relative resilience, underpinned by sound socio-economic policies, sustained investment flows, and steady domestic demand—further reinforced by deepening regional integration and cooperation.

As a financial institution with an extensive regional presence and long-standing roots in ASEAN, this resilience presents both an opportunity and a responsibility for Maybank. It compels a continued reflection on the relevance of our mission to Humanise Financial Services within an increasingly dynamic and evolving landscape. Beyond delivering exceptional service to our customers, employees, and communities, our value proposition lies in fostering inclusive economic value across ASEAN—enabled and accelerated by digital innovation.

In this context, Maybank Philippines navigated the year with discipline and cohesion, making a deliberate commitment to strengthen its internal foundations. Key areas of focus included reinforcing governance, sharpening risk management practices, and enhancing operational resilience.

Throughout this period, Senior Management provided steady leadership, supported by teams across the organisation who demonstrated resilience, adaptability, and a strong sense of shared purpose. Their collective efforts enabled the

organisation to maintain stability while responding effectively to prevailing challenges. Taken together, these actions reflect not only a measured response to near-term pressures, but also a sustained commitment to strengthening the organisation for long-term resilience.

Note of Gratitude

On behalf of the MPI Board, I wish to recognize Patrick L. Solosa for assuming the role of Officer-in-Charge with clarity and steadfast leadership. I also extend my sincere appreciation to the MPI Management Committee for their strong support, collaboration, and alignment throughout this period of transition.

I would like to express my gratitude to all Maybankers for your continued dedication and contributions, and for consistently upholding our TIGER values.

To my fellow Directors on the MPI Board, I thank you for your continued trust and support.

The progress achieved in strengthening our foundations positions Maybank Philippines to move forward with enhanced resilience and confidence in the years ahead.

Anthony Brent Elam
Chairman of the Board



President & CEO's Message

“ While 2025 was a difficult year in terms of reported results, it was a period of purposeful consolidation. The Bank used this time to strengthen its fundamentals, enhance resilience, and reinforce the foundations for sustainable growth.

The year 2025 was defined by heightened macroeconomic pressure and significant shifts in the operating landscape. After a relatively strong start, with GDP growth of 5.4% in the first quarter and 5.5% in the second quarter driven by election related spending and increased government expenditure, economic momentum weakened materially in the second half of the year. GDP growth decelerated to 4.0% in the third quarter and further to 3.0% in the fourth quarter, reflecting the temporary suspension of infrastructure projects, reduced public and private consumption, climate-related disruptions, and declining investor confidence. As a result, full year GDP growth reached 4.4%, falling short of the government's medium term target of 6.5% to 7.5%.

Against this backdrop, Maybank Philippines focused on maintaining operating discipline, strengthening its funding profile, and improving productivity. The Bank recorded a 2.1% increase in operating income and reduced operating expenses by 1.2%, generating a pre-provisioning operating profit of Php128.3 million. These results were primarily driven by deliberate cost of funds management, including a 15% increase in low cost deposits and a 40% reduction in high cost deposits, which improved the CASA ratio to 72% from 57% in the previous year.

Loan origination strategies were refined to prioritize higher yields while remaining aligned with the Bank's risk appetite. In auto lending, newly booked higher yield loans increased to 27% of total production, compared with 7% in the prior year. Productivity gains were achieved through the streamlining and further automation of branch operations, the roll out of the first phase of the Maybank Origination System (MBOS) for SME lending, and the transition to a direct sales model for bancassurance. The Bank also expanded its Islamic Banking franchise by opening four additional Islamic Banking Windows in Taguig, Cebu, Davao, and Greenhills, contributing to more than a fivefold increase in Islamic deposits.

The challenging economic environment, however, continued to weigh on balance sheet growth and credit performance. We recorded a 12.7% contraction in the total loan portfolio, reflecting subdued demand and a conservative stance on risk. As a prudential measure, the Bank increased provisions for select corporate exposures, resulting in a net loss of Php1.8 billion for the year.

While 2025 was challenging in terms of reported results, it was a year in which the Bank delivered on the key mandates set out under **M25+**. We strengthened our funding base, improved operational efficiency, reinforced risk discipline, and invested in core platforms and capabilities critical to longterm sustainability. These actions were intentional and necessary to reset the organization on a more resilient footing. With these fundamentals firmly in place, Maybank Philippines enters the next phase of its journey better prepared to execute **ROAR30**, with a clear focus on disciplined growth, enhanced productivity, and sustainable value creation aligned with the Maybank Group's longterm strategic aspirations.

While 2025 was a difficult year in terms of reported results, it was a period of purposeful consolidation. The Bank used this time to strengthen its fundamentals, enhance resilience, and reinforce the foundations for sustainable growth. We view 2025 as an inflection point—one that positions Maybank Philippines for the next phase of its journey, aligned with the Maybank Group's ROAR30 aspirations and focused on longterm, disciplined value creation.

Patrick Dennis L. Solosa
OIC-President and CEO

2025 Financial Highlights

	2025	2024
Profitability in Php		
Total Net Interest Income	4,041,856,943	3,654,655,713
Total Non-Interest Income	827,977,371	1,114,219,500
Total Non-Interest Expenses	4,734,072,523	4,797,701,904
Pre-Provisioning Profit	135,761,791	(28,826,691)
Provision for (recovery of) Impairment and Credit Losses	1,484,094,006	476,024,640
Profit (Loss) Before Tax	(1,348,332,215)	(504,851,331)
Net Income (Loss)	(1,836,781,249)	(972,773,650)
Selected Balance Data Sheet in Php		
Liquid Assets	14,535,384,465	15,600,500,569
Gross Loans	54,371,775,418	62,734,115,989
Total Assets	93,452,883,258	110,697,196,857
Deposits	69,193,806,959	75,805,341,582
Total Equity	10,011,925,805	11,968,220,245
Selected Ratios		
Return on Average Equity	-1.80%	-0.88%
Return on Average Assets	-16.71%	-7.81%
CET1 Capital Ratio	12.12%	13.95%
Capital Adequacy Ratio	14.93%	14.56%
Per Common Share Data		
Net Income per Share	(6.23)	(3.30)
Basic	(6.23)	(3.30)
Diluted	(6.31)	(3.38)
Book Value Per Share		
Total Equity	10,011,925,805	11,968,220,245
Average Outstanding Shares	294,666,977	294,666,977
Book Value per Share	33.98	40.62
Others		
Cash Dividends Declared	0	0
Headcount	1,254	1,258
Officers	823	826
Staff	431	432

Profitability Snapshot



NET INTEREST INCOME

Php4.04 B



NON-INTEREST INCOME

Php828.0 M



PRE-PROVISIONING PROFIT

Php135.8 M

Balance Sheet Strength



TOTAL ASSETS

Php93.45 B



GROSS LOANS

Php54.37 B



DEPOSITS

Php69.19 B



TOTAL EQUITY

Php10.01 B





2025 KEY CORPORATE HIGHLIGHTS

Maybank Philippines
2025 Annual Report

JANUARY

- Maybank Valenzuela Branch Relocation (Jan 02)**
 Maybank Valenzuela Branch officially opened its doors from a new and more accessible location at #349 MacArthur Highway, Malinta, Valenzuela City
- Business Planning Session (Jan 09-10)**
 MPI charted its strategic priorities for the year at the annual Business Planning Session at Escala Tagaytay, bringing together business leaders and senior management to align on strategic priorities and develop actionable plans focusing on the Philippine Strategic Programmes (PSPs).
- CashVille Kidz Winners Reception (Jan 16)**
 MPI honored the Philippine winners and finalists of the CashVille Kidz Financial Education Excellence (FinEx) Awards 2024 across four categories-- Best School, Best Family, Best Educator, and Best Student--with a ceremonial Prize Presentation and Reception at the Maybank Synergy Center in BGC, Taguig. The gathering was also attended by representatives from the Department of Education Schools Division Office, MoneyTree Philippines, and MPI Senior Management.



- eTiqa Awards Night 2025 (Jan 24)**
 As tradition, eTiqa Philippines hosted Banca Awardees and Qualifiers to a night of glitz and glamour in the eTiqa Annual Awards Night in recognition of Maybankers' sales achievements.

- MPI Sales Rally (Jan 25)**
 Maybank Philippines (MPI) kicked off the year with a milestone event-the 2025 Sales Rally-held at SMX Convention Center Aura. For the first time, business and support units came together to align on strategic priorities and sales objectives, reinforcing a unified approach to MPI's long-term growth ambitions, as One Team with One Dream.



- Chinese New Year Celebration (Jan 28)**
 MPI ushered in the Year of the Wood Snake with a vibrant lion-dragon dance performance across the Maybank Corporate Center (MCC), bringing festive energy to employees and clients. Maybankers were also given CNY treats - tikoy, hopia and fortune cookies - which were distributed by MPI ManCom Members.
- CBA 2025-2026 Signing Ceremony (Jan 30)**
 Maybank Philippines Management and the MPI Employees Union (MPIEU) officially signed the 2025-2026 Collective Bargaining Agreement (CBA) which was finalised in just one day of negotiations, marking a significant milestone in labor relations. Leading the signing were OIC-President and CEO Patrick Dennis L. Solosa for MPI Management and MPIEU President Dong Maslog. Also present was Deputy Executive Director Tess Audea of the

National Coalition and Mediation Board (NCMB), representing DOLE Executive Director Mari. Teresita D. Lacsamana-Cancio.



FEBRUARY

- Tigers Celebrate Day of Hearts (Feb 14)**
 MPI made sure to sprinkle joy across its halls on Valentine's Day by spreading good vibes through fun games, keeping snapshots and sweet surprises at the Maybank Corporate Centre (MCC). At the heart of the celebration was a special giveaway powered by ShareTreats, where 355 lucky employees were treated to goodies from Dunkin' or The Coffee Bean.
- Maybank Islamic Regional Ramadan Relief (Feb 22)**
 As an annual outreach program of Maybank Islamic Banking through its regional program partner Islamic Relief, a food distribution activity to targeted Muslim communities for Ramadan was once again conducted. In the Philippines, the chosen community was located in Barangay Labangal, Gen. Santos City; MPI showed support and was represented by the General San Branch Lite Team led by Auto Loan Officer John Sumalinog.



- MPI Joins Roundtable Discussion on Halal Industry (Feb 26)**
 Maybank Philippines was honored to participate in the Roundtable Discussion on the Halal Industry hosted by of the Embassy of Malaysia and attended by key stakeholders from both the public and private sectors, among them the Department of Trade and Industry (DTI), Halal Development Corporation of Malaysia, the Department of Tourism and the National Commission on Muslim Filipinos (NCMF).



MARCH

- 1Q Townhall at Synergy Center (Mar 7)**
 Maybankers gathered to reflect on early wins and realign efforts for the first quarter, fostering transparent and timely communication within the organization.
- International Women's Month Celebration**
 To mark International Women's Month, MPI gathered more than 100 female employees based at the Maybank Corporate Centre and Annex on March 7th for a simple yet meaningful celebration of Women's Day, with purple cupcakes as a sweet treat! Women Leaders also shared messages that uplift and inspire. The celebration extended to March 9th with MPI fielding a team to participate in the Filipina CEO Circle Women's Run 2025.



- FMAP Convention (Mar 7-8)**
 Maybank Philippines and Maybank Securities joined forces in support of the Fund Managers Association of the Philippines' 18th Annual Convention held in Cebu.
- 2025 One Maybank Sportsfest (Mar 15)**
 For the second year in a row, more than 300 employees from MPI, Maybank Investment Bank Philippines and eTiqa Philippines gathered together for a day of friendly competition and shared purpose. Six teams vied for the top spot in various fun games and the bench cheer, all in the spirit of teamwork and excellence. Beyond sports, the annual sportsfest also promoted wellness and supported livelihood.

- Islamic Banking Training (Mar 22)**
 MPI, together with the Maybank Islamic Berhad (MIB) Education Management team, conducted a full-day training session at the Synergy Centre, Maybank Corporate Centre. The training was attended by 41 onsite participants and 285 virtual attendees from across the country.
- Trust Week (Mar 24-28)**
 In celebration of Trust Consciousness Week, MPI Trust kicked off an internal campaign to get Maybankers interest in UITF, including a booth activation at the Maybank Corporate Center.
- MG Car Display (Mar 25-29)**
 A week-long special car display showcasing MG Motors' next generation of electric vehicles highlighted the powerful partnership with MPI Auto, promoting a cleaner, greener drive.
- Mangrove Tree Planting (Mar 29)**
 31 Maybank volunteers participated in the bank-led Mangrove Tree Planting Activity, helping plant 650 mangrove seedlings (Rhizophora Mucronata) across five coastal barangays in Malolos, Bulacan. The coastal mission was also made possible through the generous donation of MPI employees across departments.



APRIL

- Maybank STAR Awards (Apr 22)**
 MPI's outstanding performers of 2024 were honored at the annual STAR Awards Night held at The Tent, Enderun Colleges. A total of 57 individual and 12 team awards were presented to recognise the contributions of both business and support units, including the year's Best Employee Awardees who will represent MPI in the Maybank Group Awards Night in Malaysia.
- Asia CEO Awards Media Launch (Apr 29)**
 MPI reaffirmed its sustainability leadership by being the official award presenter of the Sustainability Company of the Year Award, announced during the media launch of the 2025 Asia CEO Awards.



MAY

- Doing Business with Malaysia: Briefing and Business Matching Session (May 08)**
 MPI hosted an exclusive cross-border business matching session between visiting Malaysian Businesses and select Philippine-based SMEs in partnership with the Embassy of Malaysia Trade Office (MATRADE) and Malaysia Chamber of Commerce and Industries Philippines (MCCI). His Excellency Dato Abdul Malik Melvin Castelino, Ambassador of Malaysia to the Philippines, was Keynote Speaker and Guest of Honor.
- Townhall with GCFS CEO (May 22)**
 On 22 May 2025, Maybank Philippines had its first Townhall with Group CEO for Community Financial Services. Apart from Maybankers joining via zoom, the session at the MCC Synergy Center was attended by MPI's OIC PCEO Patrick Solosa, Etiqa's President Anthony Bernabe, Maybank Securities President Alexander Dauz and Maybank Investment Bank Philippines President Noel Dayrit.



• **More Islamic Banking Units Opened (May 16 & 30, Jun 16)**

MPI has enhanced access to Islamic Banking products through the opening of four new units, housed inside Davao Business Center, Greenhills Branch, Main Office Branch and Cebu Business Center. To generate interest and engagement, Islamic Banking Forums have also been organised in collaboration with the Office of the Consul General of Malaysia in Davao City and the National Commission on Muslim Filipinos in Cebu.



• **Maybank Supports Brigada Eskwela (May 31 & June 7)**

In partnership with the Manila Doctors Hospital, MPI has once again rolled her sleeves up for Amado V. Hernandez Elementary School, in support of DepEd's Brigada Eskwela campaign. MPI employees volunteered to clean and prepare public school premises ahead of the school opening.



JUNE

• **Nakakalokal Year 4 (June 10)**

MPI formalised its brand partnership with Philstar's Nakakalokal Year 4 SME Caravan, to help boost brand visibility and strengthen reputation particularly to SMEs.



• **Maybank Women Eco Weavers Philippine Launch (Jun 19)**

Maybank Foundation signaled the expansion of its flagship Maybank Women Eco Weavers (MWEW) program into its fifth country--following successful rollouts in Malaysia, Cambodia, Indonesia and Laos--with the groundbreaking of the MWEW ANTHILL Weaving and Training Center in Argao, Cebu. The milestone event was graced by Tan Sri Zamzamzairani Mohd Isa, Maybank Group and Maybank Foundation Chairman; members of the Maybank Foundation Board of Trustees; Datuk Shahril Azuar Jimin, Maybank Group Chief Sustainability Officer; Ms. Izlyn Ramli, CEO of Maybank Foundation and Head of Group Corporate Affairs; His Excellency Dato Abdul Malik Melvin Castelino, Ambassador of Malaysia to the Philippines; Ms. Mary Ann Cube, Director for Financial Supervision, Bangko Sentral ng Pilipinas; Ms. Judy Dela Cruz Gobato, Region 7 Director, Department of Tourism; and Hon. Allan Sesaldo, Mayor of Argao.

• **RMHC Charity Golf Sponsorship (Jun 09)**

MPI has once again come in as sponsor to the annual fund-raising golf tournament of Ronald McDonald House Charities Philippines. Proceeds of the charity golf will go to the building of the first Ronald McDonald Family Room located at the Philippine Children's Medical Center.

• **Maybank Foundation Recognised as Outstanding Stakeholder by SDO Imus (Jun 23)**

MPI represented Maybank Foundation at the Schools Division of Imus City 2025 Stakeholders Convergence and Recognition, as it was named one of the Schools Division of Imus City Outstanding Stakeholders for its CashVille Kidz program.

• **Maybank at the Manila Times Mid-year Economic Forum (Jun 26)**

MPI was among the featured speakers in Manila Times' Mid-Year Economic Forum themed "Rapidly Growing the Economy with Strategic Policies" and share insights about how Islamic Finance can help spur growth and inclusivity.

JULY

• **Maybank Moves: Empowering Employees for Disaster Resilience (Jul 11)**

MPI hosted its first-ever forum on Disaster Risk Resilience, aimed at deepening Maybankers' understanding of the science behind natural hazards, the role of the private sector and banking industry, and practical tips on disaster survival. Subject-matter

experts who shared their insights and gave practical tips were Ms. Princess Di Pascual of Phivolcs, Engr. Lisa Celerio of SM Supermalls and Dr. Ted Esguerra, Expedition and Wilderness Emergency Medical Services Physician of the Philippine Mt. Everest Expedition Team.



• **Maybank Foundation's eMpowering Youths Across ASEAN (July 29-Aug 3)**

100 Youth Volunteers (YVs) from across ASEAN have been deployed to six ASEAN countries for a period of two weeks, to support ASEAN Foundation and Maybank Foundation funded projects. Two groups of YVs have deployed to Philippines to support:

- Project Digital Horizon – Group Education – Espoir School of Life, Inc – Del Carmen, Siargao Island, Surigao Del Norte, Philippines
- Paaralang Bukas Kalikasan – Group Environmental diversity - CURMA GROUP INC - La Union, Philippines

MPI joined Maybank Foundation for the site visits and engaged with both YVs and community and helped ensure wellbeing of the youths and the completion of the projects they have set out to do.



SEPTEMBER

- Maybank x MCCI Clean Energy Forum (Sep 05)**
 As part of its Sustainability Learning Series, MPI collaborated with the Malaysia Chamber of Commerce and Industries Philippines to host “FUELLING CHANGE: CLEAN ENERGY SOLUTIONS FOR SMEs” with Solarvest as special Partner. This well-curated forum aimed to share insights and provide practical advice for SMEs considering to start their clean energy journey. H.E. Dato Abdul Malik Melvin Castelino, Ambassador of Malaysia to the Philippines, delivered a Message of Support, with DOE Assistant Director, Renewable Energy Management Bureau Ruby De Guzman as one of the speakers.



- Maybank Building Resiliency Forum (Sep 08)**
 Continuing its capacity-building learning series for Maybankers, MPI organised Building Better: A Forum on Advancing Resilience, Efficiency and Sustainable Design, focused on equipping the workforce with knowledge and understanding on structural and financial resiliency, to properly advise and support customers on their transition journey. Resource speakers from Meralco, IFC EDGE and BERDE joined the discussions.
- Malaysia National Day Reception and Visit Malaysia Events (Sep 09, 12 & 13)**
 Maybank continues to demonstrate support to the various engagement initiatives of the Embassy of Malaysia, in aid of strengthening Philippine-Malaysia relationships and ensuring Maybank remains a key player and visible partner.

- Global CR Day (Sep 27)**
 Maybank Philippines celebrated Global CSR Day 2025 with several pocket activities initiated by Maybank Volunteer Teams nationwide, supporting communities through education (financial literacy), environment care (mangrove planting and coastal clean-up) and empowerment (capacity building sessions and feeding programs). In Metro Manila, a combined activity of OP, Risk, Finance, GM and GB supported the Saturday Boscovina Feeding Program, engaging with 175 homeless folks under the care of Don Bosco Parish.



OCTOBER

- World Trade Center Halal Economy Forum (Oct 09)**
 Maybank Philippines and eTiqa Philippines were among featured panelists at the Halal Economy Forum: Mainstreaming Islamic Finance, attended by 80 SMEs and Halal Industry players. The forum also had key stakeholders attending to share their insights and support: Malaysian Ambassador to the Philippines Dato Abdul Malik Melvin Castelino; Bangko Sentral ng Pilipinas Assistant Governor Atty. Arifa Ala; Department of Agriculture Undersecretary for Regulations and Infrastructure Engr. Zamzamin Ampatuan; and DTI Halal Industry Development Program Director Aleem Guiapal.



- 2025 Asia CEO Awards Gala Night (Oct 14)**
 Maybank Philippines has once again renewed its partnership with the Asia CEO Awards, coming as presenter of the Maybank Sustainability Company of the Year Award. 13 Circle of Excellence Awardees were recognized and 1 Grand Winner has been revealed—with Filinvest REIT Corporation besting the nominees.



- BYD Car Display (Oct 13-17)**
 A special showcase of electric and hybrid cars from BYD, a global leader in innovative and eco-friendly automotive technology, and a partner in supporting sustainability and green mobility—a continuing commitment of Maybank Philippines.
- Islamic Banking Forum Zamboanga (Oct 23)**
 One year after the opening of its first Islamic Banking Window, MPI returned to Zamboanga and gathered key Muslim stakeholders for an engaging session on Islamic Finance.
- Groundbreaking of the Anthill Circularity Hub (Oct 23)**
 MPI delivered a message of support on behalf of Maybank Foundation (MF) CEO Izlyn Ramli, during the groundbreaking ceremony of the Anthill Circularity Hub located at the Payatas Controlled Disposal Facility, Quezon City. 20 women weavers will be trained by Anthill through the Maybank Women Eco Weavers Program. Keynote speaker was Quezon City Mayor Joy Belmonte.



- International Halal Conference 2025 (Oct 28-29)**
 Held in conjunction with the World Halal Food Council Assembly, Maybank was invited panelist on the topic Challenges in Islamic Banking and Finance.
- Human Rights and Sustainable Procurement Forum (Oct 29 & 30)**
 As the year's last installment to its capacity-building Sustainability Learning Series, MPI organised a second run of the Human Rights and Sustainable Procurement workshop for a fresh batch of Green Lab Advocates and internal sustainability stakeholders.

NOVEMBER

- Maybank Philippines Celebrates 28th Anniversary (Nov 07)**
 MPI marked 28 years of service with a simple Thanksgiving Mass, a refreshed Gratitude Wall and the recognition of long-service awardees for the year.
- BIMP-EAGA Trade and Tourism Expo, Davao (Nov 09-11)**
 MPI and its values-based products and services were showcased at this annual gathering of Islamic and Halal stakeholders in Davao, through the invitation of the Embassy of Malaysia.
- Lite Agile Fest (Nov 14)**
 Held at Synergy Center, this year's Lite Agile Fest showcased innovative activations (booths, fun games, special prizes) aimed at building the agile mindset and encouraging participation of Maybankers.
- BSP Financial-Education Congress 2025 (Nov 17 & 18)**
 Maybank Foundation was recognised by the Bangko Sentral ng Pilipinas as 'Promising Financial Education Partner' during its annual stakeholders gathering.



Tesla Display (Nov 17-21)

A special car display was opened at the Maybank Synergy Center to promote and encourage hybrid driving experience with Tesla.

Maybank x Euronet MOU Signing (Nov 21)

Maybank Philippines recently formalized its partnership with Euronet, a global leader in electronic payment services, through a signing ceremony that marks a significant step in enhancing customer banking convenience.



Malaysia Friendship Open 2025 (Nov 22)

Maybank Philippines supported anew the flagship fund-raising golf tournament organized by MCCF with the patronage of the Ambassador of Malaysia to the Philippines. This year, 288 golfers joined the cause that benefits schools around the country.



Batangas State University Corporate Tour (Nov 24)

MPI opened its doors to 42 visiting Financial Management Seniors of BSU-Pablo Borbon Campus, for an enriching educational experience, highlighted by talks on financial literacy, campus-to-corporate transition, and sustainability.

Seni Sikat: The Malaysia Philippines Inter-Cultural Art Festival (Nov 25-28)

Maybank Philippines is a strong supporter and invited guest at the public launch of this Embassy of Malaysia program, which helps drive education through art in public schools.

Maybank TikTok Shop PH Webinar (Nov 27)

MPI collaborated with TikTok Shop Philippines to offer the Mastering Shoppertainment webinar, intended to be the first of a series of capacity-building sessions aimed at helping Philippine SMEs level up, go digital, and tap into SEA's leading online selling platform.



DECEMBER

Join the Loop: The Maybank Sustainability Eco Festival (Dec 01 & 02)

MPI's first sustainability-themed employee engagement activity was a celebration of mindful choices, responsible consumption, and giving things a meaningful second life. The unique program encouraged Maybankers to be part of the loop, the message of circularity reinforced by pocket talks and a bazaar of pre-loved items, proceeds of the sale help fund sustainability programs supported by Sectors.



One Maybank Year-End Party ROARchella (Dec 05)

The Year-End Party ROARchella brought together Senior Management, Directors, and employees from sister companies Maybank Philippines, Maybank Investment Banking Philippines and eTiqa Philippines, an engagement that underscored organisational unity and shared purpose, while recognising collective achievements and reinforcing the One Maybank ethos.

Maybank Partners with NCMF (Dec 15)

MPI formalised its partnership with the National Commission on Muslim Filipinos in the presence of key NCMF leaders from across the Philippines attending the exclusive Maybank Islamic Banking Forum. This strategic partnership aims to strengthen awareness, extend reach and promote availability of Islamic Banking and Finance, leveraging on NCMF's nationwide network.



NCMF Stakeholders Appreciation Night (Dec 22)

Maybank Philippines was awarded the Plaque of Appreciation by the National Commission on Muslim Filipinos (NCMF), in recognition of its strong support and meaningful partnership, announced during the NCMF Stakeholders' Night of Appreciation and NCMF Secretary's Year-End Kanduli 2025.





REVIEW OF OPERATIONS

Maybank Philippines
2025 Annual Report



COMMUNITY FINANCIAL SERVICES (CFS)

The Community Financial Services (CFS) segment sustained strong growth momentum in 2025, driven by disciplined execution, targeted product strategies, and continued investments in digital transformation. Across its core businesses, CFS enhanced portfolio quality, strengthened customer engagement, and reinforced its funding base—positioning the franchise for sustainable expansion.

Auto Loans Driving Yield Expansion and High-Value Portfolio Growth

The Auto Loans portfolio delivered robust performance in 2025, supported by improved pricing strategies, deeper branch engagement, and expansion in high-yield segments.

Effective yield for year-to-date (YTD) 2025 reached **11.18%**, driven by a favorable portfolio mix, particularly from truck financing and used car bookings.

Branch collaboration strengthened, with referral share increasing from **3.82% in 2024 to 6.70% in 2025**. High-yield accounts grew by 20.8%,

with new bookings rising to **Php1.51 billion (1,284 accounts)** from **Php1.25 billion (1,136 accounts)** in the prior year.

Cross-selling initiatives remained effective, with deposits from auto loan customers expanding to **Php2.0 billion** from **Php1.8 billion** as of December 2024. Market presence was further enhanced through participation in key automotive events, including BYD and Tesla showcases, supporting growth in emerging segments such as electric vehicles.

Mortgage Expanding Partnerships and Enhancing Portfolio Quality

The Mortgage business delivered steady growth in 2025, supported by strengthened developer partnerships and expanded referral networks. Three new developer accreditations broadened market reach and contributed to incremental bookings.

A total of **423 mortgage** accounts were booked during the year, with average ticket size increasing from **Php3.2 million to Php3.8 million**, reflecting a shift toward higher-value transactions and improved portfolio mix.

The business closed the year with a **positive profit before tax**, underscoring disciplined growth, effective cost management, and sustained improvements in portfolio quality.

Cards and Personal Loans Driving Consumer Lending Through Disciplined Growth and Engagement

The Credit Cards business delivered solid results, anchored on secured card acquisition and strong branch participation. A total of **2,391 secured card approvals** were generated, supported by **Php71.44 million** in CASA holdout balances.

The branch channel remained the primary driver, contributing **54% of total approvals**, highlighting effective branch-led acquisition and cross-selling strategies.

Installment business exceeded expectations, with **EZYPlan billings reaching Php264 million (106% of target)**. EzyConvert accounted for **68%** of total billings, while EzyCash contributed **32%**.

Meanwhile, **Personal Loans** maintained steady production despite operational challenges caused by natural calamities during the latter part of the year which impacted on-ground sales activities and the quality of applications based on TU parameters.

SME Banking Sustaining Profitability Anchored on Funding Strength

The SME segment demonstrated resilience despite operating at approximately **60% manpower capacity**, maintaining strong profitability and deposit growth.

Loan balances closed at **Php3.77 billion**, with disbursements reaching **Php7.6 billion (83% of budget)**. Portfolio contraction of **Php767 million (17%)** was observed, primarily due to attrition in LAHOD accounts.

Despite this, profitability remained robust, with **Php500 million** in PBT, exceeding budget and contributing **35% of total CFS PBT**. Margins were supported by a **blended NIM of 4.53%**, while cost efficiency remained healthy with a **39% CIR**.

The deposit franchise continued to be a key strength, reaching **Php13.5 billion**, with CASA comprising **86%**. SME deposits contributed **29% of total CFS deposits**, underscoring the segment's critical role in funding stability.

Retail Deposits Strengthening the Funding Franchise Through Targeted Execution

CFS continued to reinforce the Bank's funding base through disciplined product execution and targeted campaigns aligned with balance sheet resilience objectives.

The **MP1 Savings Account** remained a key growth driver, generating **Php364 million in new deposits**, and reinforcing its position as a core savings proposition offering competitive returns with liquidity.

The **Special Current Account** supported client retention and balance stability, generating **Php57 million in deposits** by year-end, particularly among targeted individual and corporate clients.

Funding momentum was further driven by targeted campaigns across the branch network. The **Branch Incentive Program** (August–September) successfully boosted funding behavior and exceeded third-quarter Average Daily Balance benchmarks.





The “Drive to Php2 Billion Fresh Funds Time Deposit” campaign generated **Php3.3 billion in placements** from July to December 2025, significantly surpassing targets.

Promotional initiatives also delivered strong financial outcomes. The **3.50% Targeted CASA Promotion** contributed **Php15 billion** in incremental ADB and approximately **Php236.8 million** in net income. Meanwhile, the “**Make Merry Maybanking this Holiday Season**” campaign supported year-end balance stability through deposit holdout programs linked to customer engagement.

Premier (Wealth Management)
Rebuilding AUM Through Deposit Growth and Portfolio Stability

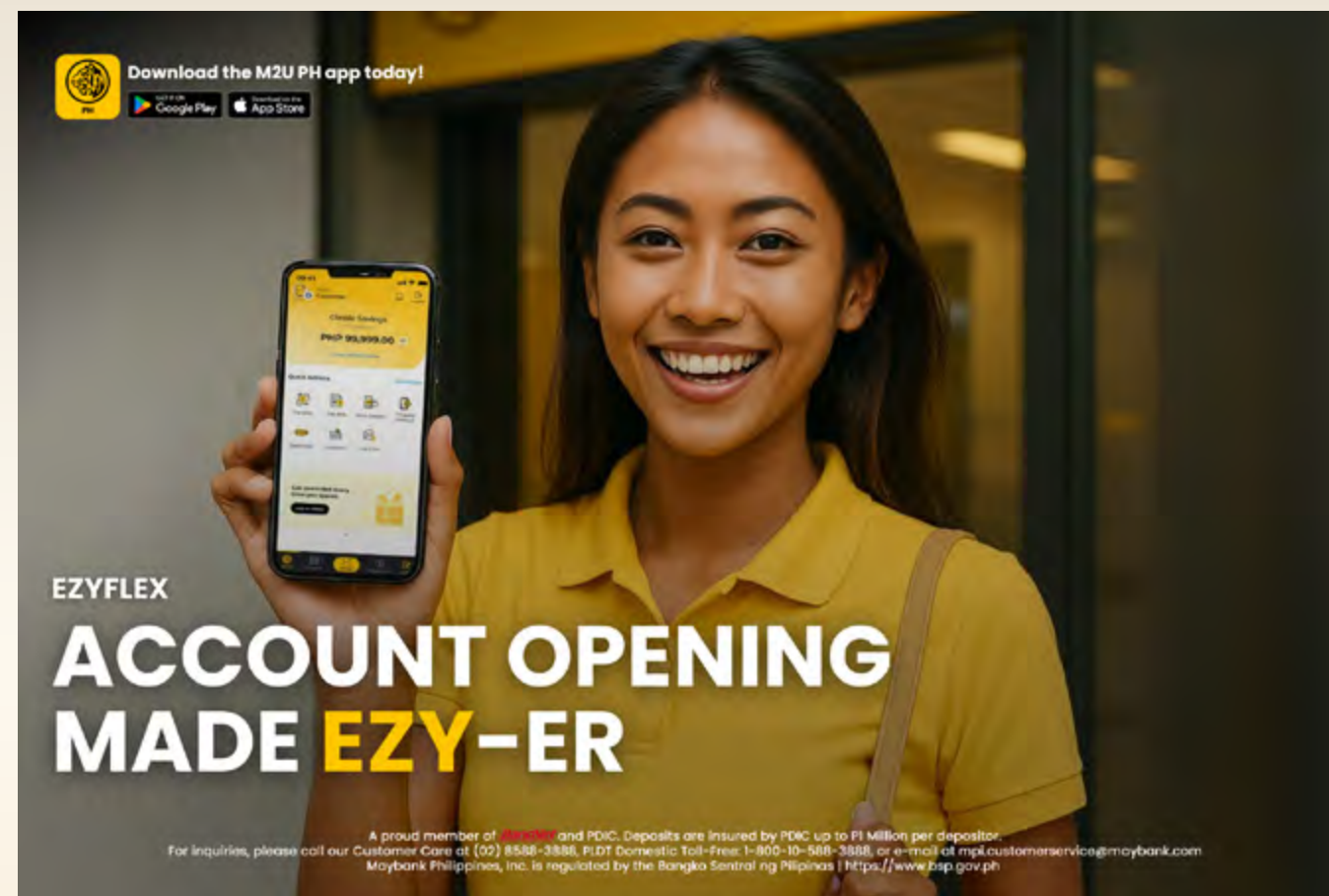
Premier recorded steady recovery, supported by improvements in deposit generation and asset management.

CASA levels rebounded by **Php1 billion from the August 2025 low**, recovering half of prior declines and reaching **72% of budget**.

Time Deposits increased by **Php2.30 billion versus H1 2025**, achieving **75% of budget**, with an additional **Php324 million growth from December 2024 levels**, reflecting sustained demand for higher-yield products.

Investment balances declined by **Php1.80 billion**, closing at **86% of budget**, but remained **Php600 million above take-off levels**, indicating portfolio resilience.

Overall, Total Assets Under Management (AUM) increased by **Php1.89 billion versus H1 2025**, reaching **80% of target**, driven by deposit growth and partial CASA recovery.



Virtual Banking

Advancing Digital Innovation and Expanding Customer Access

Virtual Banking continued to accelerate digital adoption and operational efficiency, onboarding **149,000 new digital accounts** in 2025 through enhanced mobile platforms and product innovations such as EzyFlex Online and EzyDollar.

The shift from SMS to Viber and email notifications improved reliability and security, generating annual savings of over **Php4 million**.

A strategic partnership with Euronet expanded ATM access to **over 900 machines nationwide**, while the planned rollout of Cash Recycler Machines will further enhance self-service capabilities.

The launch of **Verify Now** marked a key milestone in digital identity and eKYC processes. Continued enhancements to the m2u platform—including card services, QR payments,

transaction controls, and security features such as kill switch functionality—underscore the Bank’s commitment to secure and seamless digital banking.

Overall Performance and Outlook

CFS delivered balanced growth across lending, deposits, and digital channels in 2025, underpinned by strong execution, customer-focused strategies, and sustained investments in digital capabilities.

These efforts continue to strengthen the franchise and position the business for sustainable growth, as we move into 2026 with clear priorities to accelerate digital adoption, deepen customer engagement, optimise portfolio quality, and drive disciplined, risk-adjusted expansion across our core markets.



GLOBAL BANKING

Operating Environment and Performance Overview

The year 2025 was one of resilience for Maybank's Global Banking (GB) team as we navigated a challenging operating environment. Despite prevailing headwinds, total income reached **Php 828 million**, 25% below the full-year target and 14% lower year-on-year.

The decline was primarily driven by a slowdown in both net interest income and fee income. Net interest income fell short of target by **Php 198 million**, largely due to lower-than-expected loan and CASA balances. Fee income also underperformed, reflecting the absence of syndication fees during the year.

Cost Discipline and Operating Performance

Total overheads remained well-controlled, ending **15% below target**, supported by lower Documentary Stamp Tax (DST) and PDIC insurance expenses. However, these savings were insufficient to offset the income shortfall, resulting in operating income of **Php 279 million**, 38% below target.

Asset Quality and Profitability

Asset quality remained a key challenge during the year. The Non-Performing Loan (NPL) ratio increased to **34%**, from 17% in 2024, leading to a **Php 425 million** year-on-year increase in provisions. As a result, the team recorded a negative Profit Before Tax (PBT) of **Php 147 million**.

Balance Sheet and Funding Profile

While total deposits contracted by **25 year-on-year**, the quality of the deposit base improved significantly. CASA grew strongly to **Php 17.45 billion**, up **48% year-on-year**, exceeding the full-year target by 33%.

Loan levels closed at **Php 4.5 billion**, 63% below target, with utilisation rates declining to **39%**, from 55% in 2024, amid continued pricing pressures and scheduled repayments from key borrowers.

By year-end, GB's contribution to Maybank Philippines (MPI) remained significant, accounting for **9% of the total loan portfolio**, **33% of total deposits**, and **35% of total CASA**.

Product and Regional Collaboration

Throughout the year, Cash Management Services (CMS) achieved key milestones, booking **341 facilities** across Global Banking and Community Financial Services (CFS), and successfully introducing CMS Islamic deposit products.

The team continued to deliver bundled solutions and strengthened collaboration with regional partners, including **MBB GTS** and **Global Trade**, to drive regional and cross-border opportunities.

Strategic Priorities and Outlook for 2026

Looking ahead to **2026**, the team will focus on rebalancing the loan portfolio by increasing penetration among regional ASEAN network clients, strengthening inbound pipeline execution through enhanced Primary Relationship Manager (PRM) support, and improving utilisation of approved facilities.

Deposit growth efforts will centre on deepening relationships with key conglomerates, expanding ASEAN regional coverage beyond Malaysia, and accelerating CASA growth through CMS-led initiatives. This includes closer collaboration with the Philippine Business Council (PBC) and the targeted offering of specialised CASA propositions.

In parallel, the rollout of new CMS products and enhancements, alongside the expansion of Islamic banking offerings, will further strengthen client engagement, diversify revenue streams, and reinforce Maybank's competitive positioning.

Collectively, these initiatives position Global Banking to move forward with greater discipline and focus, aligned with Maybank's broader strategic priorities under ROAR30—driving sustainable growth, improved performance consistency, and long-term value creation.



GLOBAL MARKETS

Operating Environment and Strategic Focus

Global Markets (GM) began 2025 with a strengthened mandate to serve as a consistent contributor to the Bank's local franchise, delivering solid year-on-year revenue growth. Against a backdrop of evolving yet volatile market conditions and recalibrated policy shifts, GM remained focused on disciplined execution, enhanced delivery of client solutions, and strengthening its market presence.

Market Dynamics and Trading Performance

Operating within a transitioning macroeconomic environment, GM navigated moderating inflation trends and shifting monetary policy expectations. The policy easing cycle observed in 2025—where the Federal Reserve reduced rates by a cumulative 75 basis points and the Bangko Sentral ng Pilipinas cut rates by 125 basis points—provided a supportive backdrop for market activity.

This environment created opportunities to realise capital gains from bond sales, further supported by improved performance of the Banking Book.

Foreign exchange (FX) trading recorded year-on-year growth, underpinned by nimble execution and strategies aimed at capturing short-term volatility. In parallel, Interest Rate trading continued to offer further upside through enhanced limit utilisation and strengthened client servicing capabilities, improving responsiveness to evolving market dynamics.

Client Franchise and Sales Performance

On the client front, Sales sustained strong momentum in customer penetration, achieving a **64% year-on-year growth** in FX volume from Global Banking accounts. This was driven by flows from key regional and conglomerate clients. Market volatility also presented opportunities for clients to actively hedge exposures.

Bond distribution volumes improved, supported by strong participation from Premier Wealth clients in primary issuances and sustained demand for government securities among institutional investors.

With a stronger foundation established, Sales will continue to focus on its three core segments—**Premier Wealth, SMEs, and Regional Accounts**—leveraging Maybank's strong ASEAN footprint to deepen client engagement and expand market share.

Strategic Priorities and Outlook

Looking ahead, GM's strategic direction remains anchored on delivering consistent performance through expanded product offerings, enhanced digital platforms, and deeper regional integration.

Building on these priorities, GM is well-positioned to scale its performance in the coming years—driving sustained momentum, strengthening client relevance, and reinforcing its role as a key engine of growth for the Bank, in alignment with Maybank's broader ambitions under **ROAR30**.

TRUST

Transformation and Strategic Focus

In **2025**, Maybank Philippines, Inc. Trust (MPI Trust) continued to accelerate its transformation journey, with a clear focus on enhancing productivity and expanding value for our clients. Building on the momentum of prior years, the Trust business strengthened collaborations with key partners, enabling access to a broader and more comprehensive suite of wealth management solutions.

Product Development and Offering

During the year, we introduced two new **Maybank Tiger Unit Investment Trust Funds (UITFs)**, further diversifying our product offering and reinforcing our commitment to inclusivity across a wide spectrum of investor profiles.

Operational Excellence and Capability Building

Aligned with our long-term strategy, we continued to embed agility and efficiency into our processes, fostering a culture defined by innovation and responsiveness.

These efforts translated into enhanced productivity, more seamless client servicing, and strengthened trust management capabilities.

Client-Centricity and Value Proposition

MPI Trust remains steadfast in its mission to deliver world-class trust services and holistic wealth management, ensuring that our solutions remain aligned with the evolving needs of both individual and institutional clients.

Outlook and Strategic Priorities

Looking ahead to **2026**, we will continue to expand our product suite with targeted offerings across fixed income, multi-asset, and sustainable investment strategies, while further strengthening strategic collaborations with both internal and external partners to enhance distribution reach and investment capabilities.

Our focus will remain on deepening client engagement, advancing digital enablement, and delivering differentiated solutions that support long-term wealth creation in an increasingly dynamic market environment.





ISLAMIC BANKING

Strategic Expansion and Market Development

In 2025, MPI accelerated the growth of its Islamic banking business, reinforcing its commitment to advancing Islamic finance in the Philippines. The Bank expanded its Islamic Banking Unit (IBU) network to **five branches** designated as Islamic business hubs, improving nationwide access to Shari'ah-compliant banking while enhancing onboarding efficiency and service delivery.

Product Innovation and Financial Performance

To strengthen its value proposition, MPI launched **Cash Management Solutions for Islamic CASA clients**, enabling businesses and organisations to manage finances through Shari'ah-compliant platforms.

Financial performance remained strong, with Islamic deposits recording **568% year-on-year growth**, reflecting rising market awareness, growing client confidence, and increased demand for Islamic banking solutions.

Partnerships and Ecosystem Development

In collaboration with **Etika Philippines**, MPI supported the launch of **Takaful**, expanding its suite of Islamic financial solutions and enabling clients to access protection alongside banking services.

A key milestone was the signing of a **Memorandum of Understanding with the National Commission on Muslim Filipinos (NCMF)**, aimed at advancing financial inclusion and raising awareness of Shari'ah-compliant banking nationwide.

Industry Engagement and Financial Literacy

MPI continued to support industry development through **five MPI-led Islamic finance forums**, alongside participation in **16 external forums and sales activities** organised by government and private sector partners. These initiatives contributed to broader awareness and the promotion of inclusive economic growth.

Outlook and Strategic Priorities for 2026

Looking ahead to 2026, MPI aims to deepen market penetration through expanded awareness campaigns, strengthened institutional partnerships, and enhanced digital capabilities to further improve customer experience.

The Bank plans to introduce **Islamic financing and investment products**, broadening its Shari'ah-compliant offerings, alongside planned **Takaful product launches by Etika Philippines** to complement its ecosystem of solutions.

MPI will also continue to strengthen engagement with Muslim communities and key stakeholders, positioning Islamic banking as an integral pillar of inclusive and sustainable growth.



INFORMATION TECHNOLOGY

Strengthening Reliability and Resilience

In 2025, the Bank continued to reinforce the stability and resilience of its technology landscape to ensure uninterrupted banking services. Key infrastructure modernisation programmes were completed, including network upgrades and enhancements to core banking platforms. Disaster recovery capabilities were further strengthened through upgraded storage, backup, and data protection solutions, ensuring higher system availability and closer alignment with regulatory and Group resiliency standards.

Enhancing Governance, Controls and Operational Efficiency

Consistent with our commitment to robust risk management and compliance, we strengthened our technology governance framework and control environment. This included improvements to operational processes, targeted technology refresh initiatives, and enhanced oversight across the organisation.

Automation initiatives, such as cheque-cutting optimisation and integration with Euronet, delivered measurable operational efficiencies. The Workstation Refresh programme further enhanced endpoint security while enabling a more productive and secure hybrid work environment.

Accelerating Business Enablement and Strategic Delivery

Technology continued to serve as a critical enabler of business growth and regulatory priorities. Key initiatives delivered during the year included ISO 20022 readiness, MBOS SME enhancements, Bonds Online, MOS Phase 4, and upgrades to Islamic Banking platforms.

These programmes supported the Bank's revenue agenda by improving process efficiency, enhancing customer experience, and accelerating time-to-market. Strengthened delivery discipline and cost optimisation ensured that strategic initiatives were executed effectively and responsibly.

Driving Standardisation and Strengthened Oversight

We advanced efforts to standardise systems, methodologies, and governance processes across the technology organisation. The centralisation of key functions improved transparency, consistency, and oversight, contributing to strengthened risk management and alignment with Group frameworks.

These initiatives form part of our broader commitment to building a scalable, well-governed, and future-ready technology foundation.

Embedding an Agile and Zero Defect Culture

To support the Bank's transformation agenda, we continued to institutionalise agile delivery practices and strengthen quality assurance. Teams enhanced sprint discipline, uplifted engineering practices, and improved collaboration with business partners.

These efforts resulted in reduced defects, improved delivery predictability, and a stronger culture of continuous improvement, in line with The Maybank Way, with quality and customer experience remaining central to all delivery outcomes.

Outlook and Strategic Priorities for 2026

Looking ahead to 2026, Technology will continue to play a central role in enabling the Bank's growth and transformation agenda. Key priorities include further modernising core platforms, expanding automation and data-driven capabilities, and enhancing digital integration to deliver more seamless and responsive customer experiences.

In alignment with Group direction, the Bank will also advance the adoption of Microsoft 365 (M365) and new ways of working—leveraging collaboration, productivity, and automation tools to enable a more agile, connected, and digitally empowered workforce. These initiatives will support improved cross-functional efficiency, faster decision-making, and stronger execution discipline across the organisation.

We will also deepen our focus on cybersecurity and resilience, while advancing platform scalability to support future growth. These efforts will be underpinned by continued discipline in delivery, cost optimisation, and strengthened governance.

Collectively, these initiatives position Technology as a key enabler of the Bank's ROAR30 ambitions—driving operational excellence, improving performance consistency, and supporting sustainable long-term value creation.



OPERATIONS

Operational Performance and Continuous Improvement

2025 proved to be another rewarding year for the Operations sector, marked by continued progress in enhancing client servicing, improving efficiencies, streamlining processes, and enabling sustainable ways of working.

Agile practices remained central to transforming operations, gaining stronger traction across the Bank. To reinforce this momentum, a **Lite Agile Fair** was held in November, showcasing cross-sector initiatives and encouraging broader employee engagement.

A strong emphasis on automation and digital tools complemented these efforts. Initiatives such as end-user computing solutions for billing validation and reconciliation, as well as batch processing enhancements, reduced manual errors and improved overall efficiency.

In total, **78 initiatives** were successfully delivered—double the number achieved in 2024—resulting in improved service levels, enhanced productivity, and optimised costs. These efforts were recognised at the Group level, with Operations receiving the **Lite Agile Customer Hero Award** in June and the **Collaboration & Partnership Award** in November.

People Development and Workforce Resilience

Operations continued to prioritise talent development through training and mentoring programmes, including the successful rollout of the second run of the **Leadership Excellence and Acceleration Programme**.

This initiative supports capability building and career progression, complemented by the continued strengthening of **universal processing teams**, which play a critical role in ensuring business continuity, optimising capacity, and enhancing organisational resilience.

Risk Discipline and Governance

The sector maintained a strong focus on risk and performance management by enhancing key risk indicators and strengthening monitoring processes.

Assurance reviews that instilling the right controls, governance discipline, and risk-aware culture remains a priority, ensuring that operational effectiveness is sustained in a controlled and compliant manner.

Sustainability and Responsible Operations

Operations continued to support the Bank's sustainability agenda, contributing to environmental and advocacy initiatives while advancing digitalisation efforts to reduce carbon footprint.

Efforts to improve waste and energy management were reinforced, with practices such as the **modified Earth Hour** becoming embedded as part of daily operations, contributing to more efficient power consumption.

Outlook and Strategic Priorities for 2026

Looking ahead to **2026**, Operations will continue to build on its transformation agenda by deepening the adoption of agile practices, scaling automation, and further embedding digital solutions to enhance service delivery and operational efficiency.

In alignment with Group direction, the sector will also advance **new ways of working**, leveraging collaboration and productivity platforms such as **Microsoft 365 (M365)** to enable a more agile, connected, and digitally empowered workforce.

Focus will remain on strengthening service quality, enhancing cost efficiency, and reinforcing risk and governance discipline, while continuing to invest in talent development and organisational resilience.

Collectively, these initiatives position Operations to play a critical role in supporting the Bank's **ROAR30** ambitions—driving operational excellence, improving performance consistency, and delivering sustainable value across the organisation.

HUMAN CAPITAL

In 2025, Maybank Philippines, Inc. (MPI) Human Capital continued to reinforce its strategic role as a key enabler of the Bank's growth agenda by advancing initiatives in talent acquisition, employee development, organizational optimization, and engagement. Guided by the Bank's mission to humanize financial services, Human Capital remained steadfast in building a future-ready workforce while ensuring an integrated and engaging employee experience across all levels of the organization.

Talent Acquisition

The Bank sustained its focus on strengthening its talent pipeline and employer brand through targeted partnerships and professional collaborations. Notable initiatives included academic alliances with De La Salle University, the University of the Philippines Los Baños (UPLB), and Batangas State University, alongside the Career Caravan conducted with the Sustainability team. These efforts enhanced Maybank's visibility among future professionals and reinforced its standing as an employer of choice.

A total of 217 new employees were on boarded during the year, 53% of whom were deployed in critical, revenue-generating functions. This strategic placement underscores the Bank's commitment to aligning workforce expansion with business priorities and growth opportunities.

Talent Management and Leadership Development

Human Capital strengthened its leadership pipeline and succession readiness through comprehensive capability-building programs. The Leadership Excellence and Acceleration Program (LEAP) successfully produced 33 graduates across various business sectors, cultivating future leaders attuned to the Bank's strategic direction. Meanwhile, the Developmental Assignment Program supported 83 employees in advancing their competencies and preparing for expanded roles.

Complementing these initiatives, the Maybank Tiger Sales Academy produced 42 graduates equipped with the skills essential to drive performance in sales-intensive roles—aligning talent readiness with the Bank's customer-centric growth strategy.

Organization Design and Performance Management

Efforts to enhance organizational effectiveness were sustained through structure optimization and performance management initiatives. The Performance Improvement and Development Plan (PIDP) enabled 12 employees to achieve satisfactory performance levels, directly contributing to improved overall productivity. In parallel, structural transformation initiatives resulted in the standardization of 97 roles, ensuring operational consistency and alignment with functional requirements.

Internal hiring accounted for 59% of total placements for the year, demonstrating the Bank's strong commitment to nurturing and promoting talent from within its existing workforce.

Employee Services and Experience

Human Capital continued to improve service delivery and process efficiency by digitizing and streamlining employee transactions. Key achievements included the digitization of Housing Development Mutual Fund (HDMF) loan applications, the simplification of loan documentation processes, and the enhancement of e-clearance systems—all of which contributed to more efficient turnaround times and a better employee experience.

Health and wellness remained a core focus, reinforced through various health programs and vaccination drives aimed at safeguarding employee well-being and supporting sustained organizational productivity.

Engagement and Recognition

Through the One Maybank Philippines Synergies initiative, Human Capital strengthened cross-entity collaboration among MPI, Etiqa, and MIBG. This initiative fostered unified approaches to engagement, learning, and organizational alignment.

Employee engagement remained vibrant throughout the year with flagship programs such as the One Maybank Sports Fest, Sports Tournaments, Quarterly Town Halls, Halloween Celebration, Women's Month Run, Friday FundDay sessions, and year-end gatherings—all fostering camaraderie, teamwork, and a shared sense of identity across the Maybank Group in the Philippines.

The Bank's culture of appreciation was further reinforced through recognition programs such as the Star Awards and Loyalty Awards, which honored the exceptional dedication, performance, and long-term service of 57 individuals, 12 teams, and 131 loyal employees. These celebrations of excellence exemplify the Bank's core values of teamwork, integrity, growth, and excellence.

Sustainability and Corporate Responsibility

Human Capital also championed sustainability endeavors under the Cahaya Kasih initiative through the Adopt-a-Farmer Program, supporting the Kasibu Coffee Growers Association. Through sustained funding and active employee volunteerism, the Bank provided fertilizers, seedlings, and farming tools to beneficiary households—advancing agricultural productivity, promoting financial literacy, and reinforcing inclusive growth within the communities it serves.

Through these collective efforts, Maybank Philippines Human Capital reaffirmed its commitment to enabling business success through people. The Bank remains focused on cultivating a resilient, high-performing, and purpose-driven workforce equipped to meet the evolving challenges and opportunities of the financial industry.

Outlook

Looking ahead to 2026, Human Capital will continue to advance its strategic priorities by strengthening talent pipelines, deepening leadership capabilities, and enhancing employee experience across the organisation.

Focus will also remain on building a future-ready workforce through targeted upskilling and reskilling initiatives, reinforcing a strong performance and accountability culture, and supporting wellbeing and engagement programmes that sustain organisational resilience.

Collectively, these efforts position Human Capital as a key enabler of the Bank's ROAR30 ambitions—supporting sustained performance, leadership excellence, and long-term value creation through people.



STRATEGY & TRANSFORMATION

M25+ Strategy:

Strengthening the Regional Franchise

In 2025, the M25+ Strategy continued to strengthen Maybank's regional franchise by accelerating digitalisation, expanding customer reach, and deepening regional collaboration. Across the Group, these initiatives delivered strong outcomes, with **11.5% ROE** and a cumulative **RM7.7 billion revenue uplift** from strategic programmes between 2023 and 2025.

Digitalisation and

Customer Platform Expansion

A key focus was reinforcing country franchises through regionalised digital platforms to drive customer acquisition and enhance customer experience. In the Philippines, the rollout of the new **M2U platform** supported a **7.3% year-on-year growth** in the digital customer base, contributing to a **5.7% increase in fee income**.

To further improve flexibility and convenience while accelerating deposit acquisition, **EzyFlex** was launched—enabling customers to open checking accounts **6.3 times faster** via M2U.

Expanding Customer Reach and Financial Inclusion

Customer reach was further expanded through targeted initiatives aimed at underserved segments. Following the launch of the Zamboanga Islamic Banking Unit (IBU), MPI established **four additional IBUs**—in Greenhills, Cebu Business Center, Davao Business Center, and the Main Office—strengthening access to Shari'ah-compliant banking services nationwide.

As a result, **Islamic deposits grew by 563% year-on-year**. Complementing this expansion, the Bank organised and participated in **16 Islamic banking forums and community engagement activities**, driving greater awareness of Islamic finance and enabling engagement with new and underserved market segments.

Regional Collaboration and Network Synergies

Regional collaboration intensified across **Malaysia, Singapore, Cambodia, Vietnam, and the Philippines**, leveraging Maybank's ecosystem to facilitate inbound and outbound opportunities.

In the Philippines, regional loan disbursements increased by **50% year-on-year in volume** and **106% in income**, reflecting the strength of cross-border collaboration and network capabilities.

Philippine Strategic Programmes (PSPs)

Maybank Philippines, Incorporated (MPI) continued to advance the implementation of its **seven Philippine Strategic Programmes (PSPs)**—formulated by the Board and Management and anchored on the Bank's core strengths. These programmes serve as the primary framework for prioritising initiatives that deliver near-term performance while supporting sustainable long-term value creation.

The seven PSP pillars focus on:

1. Growing retail banking, leveraging strengths in motor vehicle and property financing
2. Scaling SME and SME+ support to deepen market penetration
3. Strengthening the Global Banking proposition
4. Transforming branch capabilities and optimising service delivery
5. Maximising ecosystem synergies and strategic partnerships
6. Building a next-generation workforce and culture
7. Enhancing operating model efficiency and agility

Through disciplined execution, MPI has maintained focus on high-impact initiatives, balancing immediate business priorities with foundational investments for long-term growth and resilience.

ROAR30: Outlook and

Strategic Direction for 2026

Looking ahead to 2026, Maybank Group will build on the momentum of M25+ with the launch of its ROAR30 strategy, anchored on four key pillars: global Islamic finance, regional wealth management, regional transactions and payments, and regional corporate and investment banking.

For MPI, this next phase will focus on scaling digital and platform-led growth, further expanding Islamic banking capabilities, deepening regional connectivity, and strengthening ecosystem partnerships to unlock new revenue streams.

At the same time, the Bank will continue to embed operational discipline, enhance customer-centric innovation, and build future-ready capabilities—ensuring that growth is not only accelerated, but also sustainable and consistent.

Collectively, these priorities position Maybank Philippines to play a more integrated role within the Group's regional strategy, reinforcing its contribution as a strong and relevant franchise within ASEAN under ROAR30.



Board of Directors

As of 31 December 2025

ANTHONY BRENT ELAM

Chairman of the Board



JESUS ROBERTO S. REYES

Director



MARIA VICTORIA C. ESPAÑO

Director



SIMOUN S. UNG

Director



CHIAM SOU HONG

Director



DR. SIEW CHAN CHEONG

Director



FELINO JAMES MARCELO

Director

ANTHONY BRENT ELAM

Chairman of the Board
67 years old, USA
Non-Independent, Non-Executive

Anthony Brent Elam was elected Chairman of the Board of Maybank Philippines, Inc. on 12 April 2024. He is an Independent, Non-Executive Director of the Maybank Group Board, serving as Chairman of Risk Management Committee, and a member of the Compliance Committee of the Board and Board Technology Committee. He is also a member of the Board of Maybank Singapore Limited.

He holds a Master of Business Administration in Finance and International Business from New York University, United States of America and a Bachelor of Science in Foreign Service from Georgetown University, United States of America.

Mr. Elam was a Director and Chief Risk Officer at PT Bank Central Asia Tbk (BCA). He also served as an advisor to the Chairman of the Indonesian Bank Restructuring Agency of PT Bahana Pembinaan Usaha Indonesia, and was previously the Vice President Director at Dieng Djaya and a Vice President at Citibank.

Besides Maybank Group, he is a Director of Buchanan Holdings Ltd and PT Lombok Saka. He is also the President Commissioner of PT Gili Sands Resort, a subsidiary of PT Lombok Saka and was a Commissioner of PT Travel Square Global.

JESUS ROBERTO S. REYES

Director
68 years old, Philippines
Independent, Non-Executive

Mr. Jesus Roberto S. Reyes was elected Independent Director of the Maybank Philippines, Inc. Board on 11 September 2020. He is Chairman of the Trust Committee, is Vice-Chairman of the Risk Management Committee, and a member of the Board Strategy Committee and Corporate Governance (CorGov) Committee.

He is a graduate of the University of the Philippines, with a Bachelor of Science degree in Mechanical Engineering. He also holds an M.B.A. degree from the Asian Institute of Management.

Prior to joining MPI as a Board Member, Mr. Reyes was the President/Deputy CEO of Eastwest Banking Corporation from May 2017 until December 2019. Before that, he was the Chief Financial Officer of Union Bank of the Philippines and also served as SEVP/Treasurer for almost five years.

His past directorship experience were all from financial institutions, notably Eastwest Rural Bank, Eastwest Insurance Brokerage Inc., TROO Insurance, City Savings Bank, Inc., and SB Capital Investment Corp. to name a few.

Besides MPI, Mr. Reyes is also a Director at Amalgamated Investment Bancorporation and Palawan Pawnshop Group.

SIMOUN S. UNG

Director
59 years old, Philippines
Independent, Non-Executive

Mr. Simoun S. Ung assumed the position of Independent Director of the Maybank Philippines, Inc. Board on 03 December 2019. He is Chairman of the Risk Management Committee, Vice-Chairman of the Audit Committee of the Board (ACB) and member of the Related Party Transactions (RPT) Committee and IT Steering Committee.

Mr. Ung earned his Bachelor's Degree in Psychology and Economics from the University of British Columbia. He also holds an M.B.A. from the Richard Ivey School of Business, Western University, Ontario.

Mr. Ung is currently the President and Chief Executive Officer of OmniPay, Inc., and Director at PT Omni Pay Indonesia, OmniPay Pte Ltd (Singapore) and OmniPay (Malaysia) Sdn. Bhd.

Besides MPI, Mr. Ung is also a Director at Bastion, Inc., Transpacific Broadband Group International, Inc., Ammex I-Support Corporation and Sanson Mineral Resources, Inc. Holding the rank of Commander in the Philippine Coast Guard Auxiliary, he is Deputy Comptroller, National Headquarters.

Mr. Ung was honored with the Outstanding Alumni Award in 2015 by Grace Christian College and the ACQ 2018 Global Awards International – GameChanger of the Year (FinTech).

DR. SIEW CHAN CHEONG

Director
49 years old, Malaysia
Non-Independent, Non-Executive

Dr. Siew Chan Cheong was appointed as Director of the Maybank Philippines, Inc. Board on 12 April 2023. He is a member of the Board Strategy Committee, Corporate Governance (CorGov) Committee and Risk Management Committee.

He holds a Bachelor in Engineering degree in Mechanical Engineering (1st Class Honors) from the University of Southampton, United Kingdom. He also holds an M.B.A. from the London Business School, UK and a PHD in Mechanical Engineering from the University of Southampton, UK.

Dr. Siew is Maybank Group Chief Strategy Officer, appointed in 15 August 2023, and has over 20 years of experience in formulating and implementing multi-country transformation strategies across various industries and organisations, including major banks in Europe and Asia.

Besides MPI, Dr. Siew also sits in the board of Etiqa Digital Solutions Sdn Bhd and Etiqa Life Insurance Berhad.

MA. VICTORIA C. ESPAÑO

Director
61 years old, Philippines
Independent, Non-Executive

Maria Victoria C. España was officially appointed as Director of the Maybank Philippines, Inc. Board on 06 December 2024. She is the Chairman of the Audit Committee of the Board (ACB) and is Vice-Chairman of the Related Party Transactions (RPT) Committee.

She holds a Master's degree in Accountancy from the Polytechnic University of the Philippines and a Bachelor of Science in Mathematics for Teachers from the Philippine Normal University.

Ms. España is an accomplished business leader and corporate governance advocate with over three decades of experience spanning professional services, tax, finance, and board advisory, bringing over deep expertise in governance, strategy, audit, risk management, and organizational transformation.

Ms. España was the Chairperson and CEO of Punongbayan & Araullo (P&A), a member firm of Grant Thornton International, from 2011 to 2023, and has held various leadership roles in prominent organizations including the Financial Executives Institute of the Philippines (FINEX), where she served as President in 2018 and Chair of its Academy and Foundation.

Besides MPI, Ms. España serves as an Independent Director and Chair of the Audit Committee at Alternergy Holdings Corporation. She is also a Trustee of the Institute of Corporate Directors, Shareholders' Association of the Philippines, and St. Paul University of the Philippines.

Her excellence has been recognized with numerous awards, including the 2023 Accountancy Centenary Award of Excellence and the 2020 Outstanding Professional in the Field of Accountancy by the Philippine Professional Regulation Commission.

FELINO JAMES MARCELO

Director
51 years old, Malaysia
Non-Independent, Non-Executive

Felino James Marcelo was appointed as Director of the Maybank Philippines, Inc. Board on 04 April 2025. He is a member of the Board Strategy Committee and Trust Committee.

He holds an M.B.A. from Strathclyde Business School in United Kingdom, and earned his Bachelor of Science in Economics, Banking & Finance (Honours) from the University of London.

Mr. Marcelo has over 28 years of wholesale banking experience, spanning corporate and investment banking, capital markets, and risk management. His regional leadership spans Greater China and Southeast Asia, where he has led high-performing teams and executed cross-border financial solutions across the debt and equity spectrum.

He currently serves as Maybank Country Head for Greater China and Chief Executive of its Hong Kong Branch, overseeing more than 350 employees across Hong Kong, Beijing, Shanghai, Shenzhen, and Kunming.

Mr. Marcelo is a Certified Credit Professional and holds multiple certifications in ESG and sustainable finance.

CHIAM SOU HONG

Director
66 years old, Malaysia
Non-Independent, Non-Executive

Chiam Sou Hong was appointed as Director of the Maybank Philippines, Inc. Board on 04 April 2025. She is the Chairman of the Corporate Governance (CorGov) Committee and member of the Audit Committee of the Board (ACB).

Ms. Chiam is also an Independent, Non-Executive Director of the Maybank Group Board, serving as a member of the Credit Review Committee, the Audit Committee of the Board, and the Compliance Committee of the Board.

She holds a Bachelor of Laws (LLB) Honours Degree from the University of Lancaster, United Kingdom and a Masters of Laws (LLM) Degree from the University of Cambridge, United Kingdom.

Ms. Chiam has over 40 years of international experience in management, banking, law, dispute management, ESG and prosecution of corruption. She was previously Managing Director, Head of Regulatory Affairs, Asia Pacific for Credit Suisse, Head of Regulatory Affairs and Policy, Asia Pacific for HSBC, and CEO of the Finance Dispute Resolution Center, Hong Kong.

She also served as General Counsel and Head of Policy at the New Zealand Human Rights Commission and General Counsel at New Zealand Funds Management Ltd.

Ms. Chiam is a Faculty member at the Asian School of Business, covering Sustainability.



Management Committee

As of 31 December 2025



PATRICK DENNIS L. SOLOSA

OIC, President and CEO and Concurrent Head, Community Financial Services



AIDELL AMOR R. GREGORIO

Chief Financial Officer



APRIL KATRINA V. ALBOTRA

Head, Global Banking
Resigned effective 12 December 2025



MARK LORD D. LIMSON

Head, Human Capital



ANGELA R. OFRECIO

Treasurer and Head, Global Markets



BERNARDO G. TALIMBAN, JR.

Head, Information Technology

Management Committee

As of 31 December 2025



**MA. CARMELA
S. BOLISAY**

Head, Operations



**DON LOUIE
M. GALENO**

Chief Compliance Officer



**ENRICO
L. CORDOBA**

Head, Strategy
and Transformation



**BABYLYN
A. CATACUTAN**

Chief Audit Executive



**RAJAGOPAL
RAMASAMY**

Chief Risk Officer



**ATTY. GERARDO
J. DE LEON**

Corporate Secretary and
Head, Legal





PATRICK DENNIS L. SOLOSA

OIC-President and CEO and
Head, Community Financial Services
52 years old, Philippines

Patrick Dennis L. Solosa is currently the OIC-President and CEO of Maybank Philippines, a role he assumed September 01, 2024, while continuing to serve as the Head of Community Financial Services (MPI-CFS).

Patrick joined Maybank Philippines, Inc. on April 16, 2021 as Senior Vice President and Head of Consumer Finance and on March 1, 2022, he was confirmed Head of Community Financial Services.

Patrick was the leading figure in the establishment and opening of nine (9) Branch Lites as part of MPI-CFS’ growth positioning strategy, as aligned with Group-wide M25+ initiatives. He also steered the Auto Transformation Roadmap Phase 2 and 3 under the Auto Working Group, which helped improve people, processes, technology and governance of Auto Loans, resulting in increased productivity and profitability. He was likewise instrumental in the overall improvement of the sector’s profitability and performance, including those of key business drivers Mortgage, RSME and Deposits.

Patrick continues to provide leadership in managing MPI’s retail business, ensuring to meet its short and long-term goals and objectives, comply with policies and regulatory requirements, and maximize returns to stakeholders.

Prior to joining Maybank, Patrick was Group Head for Consumer Sales and Support at EastWest Bank, under the Consumer Lending Cluster.

Patrick graduated from the University of the Philippines with a degree in Statistics. He obtained his MS in Statistics in Katholieke Universiteit Lueven in Belgium.

APRIL KATRINA V. ALBOTRA

Head, Global Banking
45 years old, Philippines
Resigned effective 12 December 2025

April Katrina V. Albotra took on the OIC role of Global Banking on 8 June 2022 and was subsequently confirmed as Head on 06 October 2023. She joined Maybank Philippines in August 2011 to set-up the Trade Sales Marketing unit which was later renamed Trade & Supply Chain Finance (TSCF) under Global Banking. She became a Client Coverage Relationship Manager in 2015-2016 and moved to SMC Global Power Holdings Corp.

as a Treasury Manager for a brief 10-month stint before re-joining Maybank Philippines as TSCF Head in August 2017 and subsequently became Transaction Banking Head in 2019 before her present appointment.

April started her banking career in year 2000 with Bank of Commerce, Corporate Banking until 2005 and briefly in Philippine National Bank before moving to HSBC Philippines, Retail Banking & Wealth Management from 2005-2010 and Trade Finance from 2010-2011.

April earned her Bachelor of Science Degree in Business Management-Entrepreneurship from De La Salle University and holds a Master’s Degree in Business Administration from Ateneo de Manila University.

ANGELA R. OFRECIO

Treasurer and Head, Global Markets
48 years old, Philippines

Angela R. Ofrecio was officially appointed as Treasurer and Global Markets Head on 21 November 2023. She joined Maybank Philippines in May 2018 as served as Global Markets Sales Head before her present appointment.

Lala brings with her over 24 years combined experience in fixed income, foreign exchange, and derivatives, with emphasis on client servicing and sales. Prior to joining Maybank, Lala was Treasury Marketing Head at CTBC Bank Philippines Corporation. She started her career in 1998 with Unionbank of the Philippines and has then worked for various foreign financial institutions such as Standard Chartered Bank, Western Asset Management (USA), Citicorp Financial Services and Insurance Brokerage Phils. Inc., and Australia and New Zealand Bank. She also served as a board member for National Association of Securities Broker Salesmen, Inc. from 2007 up to 2022.

Lala graduated from De La Salle University with a Bachelor of Science Degree in Commerce, major in Management of Financial Institutions.

AIDELL AMOR R. GREGORIO

Chief Financial Officer
43 years old, Philippines

Aidell R. Gregorio was officially appointed as Chief Financial Officer of Maybank Philippines, Inc. on 15 April 2024. With more than eighteen (18) years of professional experience in the financial services industry, Aidell has strong technical

knowledge of Philippine Financial Reporting Standards (PFRS) and hands-on experience on data analytics and data mining. He also has extensive exposure to credit reviews, loan reserve evaluations, treasury audits, and group consolidations, with a robust background in capital management.

Prior to joining Maybank Philippines, Aidell was Senior Vice President, Acting CFO, and OIC of the Financial Management Sector of Philippine National Bank. Before PNB, he was with SGV (EY affiliate) as Senior Audit Director for thirteen (13) years and handled audit exercises of financial institutions in SG’s client roster.

A Certified Public Accountant, Aidell graduated with a degree in Bachelor of Science in Accountancy from the University of Santo Tomas.

MARK LORD D. LIMSON

Head, Human Capital
49 years old, Philippines

Mark Lord D. Limson was appointed as Head of Human Capital of Maybank Philippines on May 4, 2020. Mark comes with almost 20 years of experience in strategic and leadership roles in all fields of Human Resources. He has worked for various companies in different industries such as Philippines Savings Bank, Splash Corporation, Holcim Philippines, Inc., and San Miguel Brewery, Inc.

Prior to joining MPI, Mark was the Head of Human Resources of MetroPac Movers, Inc. Mark is a Certified Senior Professional in Human Resources, International (SPHRI) and a recognized Human Resources professional, having been named 2019’s Top 100 Filipino to Follow on LinkedIn, World HRD Congress’ 2018’s 100 Top Global HR Minds, CHRO Asia’s 2017’s Asia’s Top 50 Human Resources Leaders Awardee and Workplace by Facebook’s 2017 Digital Visionary Awardee.

Mark graduated with a degree in Bachelor of Science in Business Administration from the University of the Philippines-Diliman.

BERNARDO G. TALIMBAN, JR.

Head, Information Technology
56 years old, Philippines

Bernardo G. Talimban, Jr. brings with him over 20 years of IT experience when he joined Maybank Philippines as Head of Information Technology in 2014, covering consulting, systems development, project management, transaction banking solutions delivery, business continuity, infrastructure and security.

Bernie started as an analyst programmer and consultant for different manufacturing, oil and banking industries in the country. He formally joined a financial institution in 1997, as IT Manager at ABN AMRO Bank. He later assumed the Solutions Delivery Manager function and was instrumental in growing the cash management business. With the merger of Royal Bank of Scotland and ABN AMRO Bank in 2008, he became AVP and Chief Technology Officer managing both the Philippines and Vietnam operations. In 2010, Bernie joined Bank of Commerce as Vice President and Deputy Chief Information Officer concurrently handling the Project Management Office.

During his stint, he initiated different transformation projects in core-banking, corporate and retail internet banking, eBusiness Suite, loans operations, ATM switch fine-tuning amongst others. By 2013, he became First Vice President and Chief Information Officer.

Bernie holds a Bachelor’s degree in Entrepreneurial Management from the Polytechnic University of the Philippines (PUP) and earned his Master’s in Business Administration from the University of Santo Tomas.

MA. CARMELA S. BOLISAY

Head, Operations
57 years old, Philippines

Ma. Carmela S. Bolisay joined MPI on March 1, 2022 as Senior Vice President and Head of Central Operations, bringing with her over 30 years of professional and diversified experience in process streamlining, business design analysis, project management, service quality, assurance, operations and risk management.

Prior to joining MPI, Maricar was the Senior Vice President, Management Services Division Head for almost 4 years at Rizal Commercial Banking Corporation (RCBC). She was also with Standard Chartered Bank from 2002 to 2016 as Vice President, Business Planning Manager for the CEO, Country Manager for Service Excellence, Business Project Director, Product & Process Management, and Service Quality Manager for Consumer Banking. Maricar’s expertise is in business process management and reengineering, driving digitization initiatives for improved client experience, increased productivity and implementation of future ready processes. Maricar has made relevant contributions in the various organizations she has worked with including Security Diners International Corporation from 1997 to 2002, having supported major projects such as migration of core systems, implementation of new systems and brands as well as business transformations.

In addition to her professional experience, Maricar completed a Basic Management Program at Asian Institute of Management (AIM) Makati. Maricar graduated from University of the Philippines, Diliman with a Bachelors of Arts Major in Psychology.

ENRICO L. CORDOBA

Head, Strategy and Transformation
53 years old, Philippines

Enrico L. Cordoba was officially appointed as Head of Strategy and Transformation on April 1, 2024. Prior to this promotion, he was OIC-Chief Financial Officer, taking on the role in December 2022 and was concurrent Head of Corporate Planning, the position he held when he joined Maybank Philippines in August 2019.

Prior to joining MPI, Ricco had a 25-year stint with The Insular Life Assurance Co., Ltd. He started as Marketing Planning Staff in 1994 before transitioning to Corporate Planning Staff in 1996, and from then on rose up the ranks until he became Head of Corporate Panning in 2011 with a rank of First Vice President. He was also Executive Assistant to the Chairman of the Board & Chief Executive Officer (OCB&CEO) from 2003-2011. In 2017, Ricco was appointed Chief Risk Officer and was the position he held until moving to MPI two years later.

Ricco earned his Bachelor of Science in Mathematics, Major in Actuarial Science degree from the University of Santo Tomas and holds a Master’s Degree in Business Administration from the Ateneo de Manila University. He is also a Professional Lecturer for Management Science at the De La Salle University Graduate School of Business.

RAJAGOPAL RAMASAMY

Chief Risk Officer
61 years old, Malaysia

Rajagopal Ramasamy was appointed as the Chief Risk Officer of Maybank Philippines in June 2018.

Raj brings with him more than 25 years of experience in credit risk encompassing end-to-end spectrum of credit, specializing in corporate and commercial loans. He started his career in banking in 1991 and held various positions in the area of credit including trade finance, branch credit, share financing, credit assessment and approval and remedial management. His longest stint was with Maybank Group Credit Risk Management, handling large corporates and independent power producers before his assignment in MPI in January 2016 as the Regional Credit Officer.

He obtained his Bachelor’s Degree from the University of Malaya in 1991 and went on to complete his MBA from the same university in 1998. He is also a Certified Credit Professional by the Institute of Bankers Malaysia (IBBM) and a Credit Trainer for Maybank.

DON LOUIE M. GALENO

Chief Compliance Officer
41 years old, Philippines

Don Louie M. Galeno was appointed as Chief Compliance Officer of Maybank Philippines effective April 1, 2025. In this capacity, he reports administratively to the President and CEO and is governed by the Risk Management Committee.

A Certified Public Accountant (CPA), Louie brings over a decade of experience in the banking industry, with a strong focus on audit and compliance functions.

He joined MPI in January 2020 as Head of Regulatory Compliance, where he played a pivotal role in strengthening the bank’s compliance framework and ensuring adherence to regulatory standards. Prior to joining MPI, Louie served as the General Compliance and Corporate Governance Head at Chinabank Savings, Inc. in 2020. Before that, he was the Anti-Money Laundering (AML) Compliance Head at Bank of Makati in 2018, where he was instrumental in enhancing the bank’s AML policies and procedures. Louie also served as an Internal Auditor at Metropolitan Bank & Trust Company for over 10 years.

Louie earned his Bachelor of Science in Accountancy degree from the University of the East.

BABYLYN A. CATA CUTAN

Chief Audit Executive
50 years old, Philippines

Babylyn A. Catacutan was appointed Chief Audit Executive of Maybank Philippines in April 1, 2022, bringing with her a total of 25 years of diversified work experience in Internal Auditing, Independent Compliance Risk Management and in project management of Supply Chain Management and Enterprise Resource Planning systems.

Lyn is a seasoned internal auditor and a trusted Compliance partner. She started her career at Rustans Commercial Corporation where she handled various audits from Financial, Operations, to EDP Audit. She joined Citifinancial, an affiliate of Citibank, N.A., as a Compliance Manager in 2006. She was responsible for the Product Advisory as well Compliance

Reviews of the business units. She was also the Deputy AML Compliance Officer, Sanction Officer, and Data Privacy Officer, and was instrumental in the optimization of the Risk and Control Self-Assessment Program. In 2008, she moved to Citibank, N.A., where she held various roles in Compliance and Control unit until she moved to the Internal Audit in 2012. She was primarily responsible for the audits of the Philippine Consumer Business, which include Retail branches, Investment, Insurance, Asset (Credit Cards and Loans) and Trust Department. Likewise, she supported various regional audits of Citibank branches in Singapore, Malaysia, Indonesia, South Korea, and Australia among others. She spearheaded Agile audit and Continuous Audit in Consumer Business across Asia. She completed the Global Lead Academy Training in London, United Kingdom. Lyn has been awarded with Service Excellence awards in multiple occasions.

Prior to joining MPI, Lyn was a Vice President and Audit Manager in Citibank, N.A. for almost 11 years and a Department Head and Audit Supervisor in ING’s Corporate Audit Services (Asia) for almost three (3) years.

Lyn is a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Certified Anti-Money Laundering Specialist (CAMS). She is a Bachelor of Science in Accountancy graduate from the Philippine School of Business Administration.

ATTY. GERARDO J. DE LEON

Corporate Secretary and Head, Legal
61 years old, Philippines

Atty. Gerardo “Gerry” J. De Leon was appointed as the Head of Legal and Corporate Secretary of Maybank Philippines on October 12, 2019.

Prior to assuming the position, Atty. Gerry was previously the Deputy Head of Compliance, Chief Privacy Officer, and Head of Regulatory Compliance. Before joining MPI, Atty. Gerry was the General Regulations Compliance Officer and Data Protection Officer of Security Bank Corporation where he was also appointed as Compliance Officer of its various subsidiaries and affiliates.

He practiced law for more than 20 years, performing legal research and writing to litigation (civil, criminal, special proceedings, taxation and administrative law); regulatory compliance; corporate secretarial; and preparation of pleadings, briefs, memoranda, and legal opinions.

Atty. Gerry earned his Bachelor’s degree in Accounting from the University of Santo Tomas. He obtained his Law Degree from San Beda University, formerly San Beda College.



Principal Officers of the Bank

As of 31 December 2025

BOARD OF DIRECTORS

- Mr. Anthony Brent Elam (Board Chairman)
- Mr. Felino James Marcelo
- Mr. Simoun S. Ung
- Mr. Jesus Roberto S. Reyes
- Dr. Siew Chan Cheong
- Mrs. Maria Victoria C. España
- Ms. Chiam Sou Hong

PRESIDENT AND CEO (OIC)

Patrick Dennis L. Solosa

EXECUTIVE VICE PRESIDENT

Rajagopal Ramasamy

SENIOR VICE PRESIDENTS

- April Katrina V. Albotra*
- Ma. Carmela S. Bolisay
- Babylyn A. Catacutan
- Amiel Leandro C. De Castro
- Cristina B. Casipit
- Enrico L. Cordoba
- Gerardo J. De Leon
- Mark Lord D. Limson
- Don Louie M. Galeno
- Aidell Amor R. Gregorio
- Angela R. Ofrecio
- Patrick Dennis L. Solosa
- Bernardo G. Talimban, Jr.
- Rolly G. Tamondong

*Resigned effective 12 December 2025



CORPORATE GOVERNANCE

Maybank Philippines
2025 Annual Report

Maybank Philippines, Inc. (MPI) adheres to the values of integrity, fairness, accountability, and transparency in carrying out its daily operations. This mindset is balanced with measures undertaken to ensure that the business complies with the regulatory requirements of the Bangko Sentral ng Pilipinas and its single integrated risk-based assessment framework, Supervisory Assessment Framework (SAFr).

Strong corporate governance is vital in enhancing operational efficiency, increasing capital accessibility, managing risks, and overseeing business activities effectively. This keeps the checks and balances in the Bank's operations and top official's decision-making. Long-term adherence to good corporate governance practices ensures accountability, transparency, and value creation for all its stakeholders – from enhancing shareholders' value to obtaining customers' trust and loyalty, as well as strengthening employees' commitment to realize the Bank's aspiration of becoming the country's leading financial services provider for its target market segment.

THE MPI BOARD OF DIRECTORS AND MPI SENIOR MANAGEMENT

FUNCTIONS, DUTIES AND RESPONSIBILITIES

The Bank upholds the highest standards of corporate governance as a cornerstone of long-term sustainability and value creation. Its governance framework is anchored on the principles of accountability, fairness, transparency, and responsibility, in line with Bangko Sentral ng Pilipinas (BSP) regulations and global best practices.

The Board of Directors is responsible for the overall governance of the Bank. It sets strategic direction, ensures alignment of management actions with corporate objectives, and fosters a culture of integrity and compliance. The Board exercises independent judgement in overseeing the Bank's affairs and ensures adherence to sound governance principles.

Key responsibilities of the Board include the approval of major strategies, budgets, and investment proposals; the appointment of senior leadership; and the oversight of the Bank's performance to promote long-term value for stakeholders. It also ensures that robust risk management frameworks and operating policies are in place to support the Bank's strategic objectives.

In carrying out its duties, the Board exercises powers in accordance with the Articles of Incorporation and By-Laws, and may seek independent professional advice as necessary. It adheres to the Code of Corporate Governance issued by the Securities and Exchange Commission for Public Companies and Registered Issuers.

Senior Management, led by the Management Committee (ManCom), is responsible for the execution of Board-approved strategies and the day-to-day operations of the Bank. Composed of heads of business, support, and governance units, Senior Management exercises delegated authority from the Board to ensure efficient and effective management of the Bank.

QUALIFICATIONS AND SELECTION

Members of the Board and Senior Management are individuals of integrity, with the requisite expertise and experience in the management of financial institutions.

Appointments to the Board, Senior Management, and other positions requiring Board approval are made upon the recommendation of the Corporate Governance Committee (CorGov). The CorGov Committee is responsible for reviewing and evaluating the qualifications of all nominees based on criteria set out in the Bank's Corporate Governance Manual.

In accordance with governance best practices, members of the Board are subject to periodic re-election by rotation. All nominees are confirmed by shareholders during the Annual Stockholders' Meeting. For financial year 2025, the Annual Stockholders' Meeting of Maybank Philippines Incorporated was held on 4 April 2025.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN, AND THE CHIEF EXECUTIVE OFFICER OF THE BANK

To reinforce a robust system of checks and balances, there is a clear separation of roles between the Chairman of the Board and the President and Chief Executive Officer (CEO). The Chairman, a non-executive Director, leads the Board in the effective discharge of its responsibilities and ensures that it maintains an appropriate level of oversight over the Bank's operations and risk management framework.

The President and Chief Executive Officer, as the Bank's highest-ranking executive, is responsible for executing Board-approved strategies and for the overall management of the Bank's day-to-day operations. Her performance is regularly evaluated by the Board based on established performance metrics, including a balanced scorecard aligned with the Bank's strategic objectives. She also chairs key management committees, including the Management, Assets and Liabilities, IT Steering, Credit, and Sustainability Committees, ensuring effective coordination across critical functions.

The Board is supported by various committees, each with defined mandates to enhance oversight in key areas such as audit, risk management, governance, and related party transactions. These committees enable the Board to effectively discharge its duties and responsibilities.

The Bank remains committed to continuously strengthening its governance practices to ensure resilience, protect stakeholder interests, and support sustainable growth.

COMPOSITION OF THE BOARD OF DIRECTORS

In line with the proposal to amend MPI's By-Laws and Amended Articles of Incorporation, decreasing the number of Board of Directors from nine (9) to seven (7), the Bank's Board is composed of seven (7) members, four (4) of whom are independent and non-executive, two (2) are non-independent and non-executive, and one (1) is non-independent and an executive of the Bank.

Each Director holds one common share.

The Board has a clear division of responsibilities to avoid any individual or group from dominating the Board's decision-making.

Name of Director	Position in the Board and Type of Directorship (Principal Stockholder Represented if Nominee)	No. of Meetings Attended (For CY 2025)	No. of Years served as director	No. of Direct (D) and Indirect Shares as of December 31, 2025	Percent to Total Outstanding Shares
Mr. Anthony Brent Elam (Chairman)	Non-Independent / Non-Executive representing Malayan Banking Berhad (Maybank)	8/9	2	1 (D)	0%
Mr. Simoun S. Ung	Independent / Non-Executive	8/9	6	1 (D)	0%
Dr. Siew Chan Cheong	Non-Independent / Non-Executive representing Malayan Banking Berhad (Maybank)	8/9	3	1 (D)	0%
Mr. Jesus Roberto S. Reyes	Independent / Non-Executive	9/9	5	1 (D)	0%
Mrs. Maria Victoria C. España	Independent / Non-Executive	9/9	1	1 (D)	0%
Mr. Felino James Marcelo*	Non-Independent / Executive	5/6	1	1 (D)	0%
Ms. Chiam Sou Hong*	Non-Independent / Non-Executive representing Malayan Banking Berhad (Maybank)	5/6	1	1 (D)	0%
Mr. Renato T. De Guzman**	Independent / Non-Executive	3/3	10	1 (D)	0%

*Elected in April 2025
**Retired in April 2025

BOARD PERFORMANCE EVALUATION

The Board of Directors, upon the endorsement of the Corporate Governance Committee, adopted an Annual Performance Evaluation aimed at ensuring that Directors are fully aware of their responsibilities, both as individual members and as part of the collegial Board. It likewise enables the Board to identify its strengths and areas for improvement, allowing the Corporate Governance Committee to recommend appropriate actions to enhance the effectiveness of each Director and the Board as a whole.

The evaluation form consists of two parts. The first part contains statements on the roles, duties, and responsibilities of a Director as provided under the Bangko Sentral ng Pilipinas Manual of Regulations for Banks (MORB) and the Corporate Governance Self-Rating Form. Directors are asked to assess the extent of their fulfilment of these responsibilities using the ratings “Exemplary”, “Satisfactory”, or “Below Expectation”.

The second part comprises statements on the roles, functions, and responsibilities of the Board. Directors assess the performance of the Board across key areas, including Strategies and Plans, Performance Management, Risk Management, Financial Reporting, Policies, Human Capital Management, Effectiveness, Remuneration, and Shareholder Value. It also includes a general assessment of the performance of the Board and Management Committees, as well as the conduct of meetings. Ratings are given as “Satisfactory”, “Could Improve”, or “Must Improve in Coming Year”.

BOARD COMMITTEES

MPI has six (6) Board-level Committees, which were formed to assist the Board in implementing its duties and responsibilities within the bounds of good corporate governance.

BOARD STRATEGY COMMITTEE

The creation of the Strategy Committee was approved by the Board by circular resolution on October 14, 2016 and confirmed by the Board of Directors in its meeting on December 2, 2016. The Strategy Committee is tasked to recommend various strategic objectives of the Bank to the Board for its approval, as well as any revisions or changes thereto.

Board Strategy Committee 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Mr. Anthony Brent Elam	2/2
Member	Mr. Jesus Roberto S. Reyes	2/2
Member	Dr. Siew Chan Cheong	2/2
Member	Mr. Felino James Marcelo	2/2

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee reviews and evaluates the qualifications of all persons nominated to the board as well as those nominated to other positions requiring appointment by the Board of Directors; assesses the Board and director’s performance, oversees the continuing education of the Board and ensures that the Bank’s remuneration is sufficient and reasonable and linked to corporate and individual performance.

Corporate Governance Committee 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Ms. Chiam Sou Hong*	2/2
Member	Mr. Jesus Roberto S. Reyes	4/4
Member	Mr. Simoun S. Ung	4/4

*Elected in April 2025

AUDIT COMMITTEE OF THE BOARD

The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Bank’s process for monitoring compliance with laws and regulations and the code of conduct. The Committee is authorized by the Board to investigate any activity or matter within its sphere of influence; obtain external independent professional advice, legal or otherwise as deemed necessary; and maintain direct communication channels with external and internal auditors and with the Senior Management of the Bank and its affiliates. To execute these functions effectively, the Audit Committee has also been empowered to have the resources, which are required to perform its duties and unlimited access to all information and documents relevant to its activities.

Audit Committee of the Board 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Mrs. Maria Victoria C. Españó	6/6
Member	Mr. Simoun S. Ung	6/6
Member	Ms. Chiam Sou Hong*	4/4

*Elected in April 2025

RISK MANAGEMENT COMMITTEE

The Risk Management Committee provides oversight of the Board’s activities in managing the Bank’s credit, market, liquidity, operational, legal and other risk exposures. It advises the Board on the Bank’s overall current and future risk appetite, oversees senior management’s adherence to the risk appetite statement and reports on the state of risk culture of the Bank. The Committee also oversees the implementation of the Bank’s Compliance Framework and Program, including its Money Laundering/ Terrorism Financing Prevention Program and ensures that the Bank complies with all applicable laws, regulations, codes of conduct and standards of good practice. It shall also ascertain that compliance issues are resolved expeditiously.



Risk Management Committee 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Mr. Simoun S. Ung	6/6
Member	Mr. Jesus Roberto S. Reyes	6/6
Member	Dr. Siew Chan Cheong	6/6

RELATED PARTY TRANSACTIONS COMMITTEE

The Related Party Transactions (RPT) Committee was created by the Board on March 29, 2016 pursuant to BSP Circular No. 895 issued on December 14, 2015. The Committee is tasked in assisting the Board to approve an overarching policy on the handling of RPTs to ensure that there is effective compliance with existing laws, rules and regulations at all times, that these are conducted on an arm's length basis, and that no stakeholder is unduly disadvantaged. It ensures disclosure is made and/or information is provided to regulating and supervising authorities related to MPI's RPT exposures, including policies on conflicts of interest or potential conflicts of interest; report to the Board on a regular basis the status and aggregate exposure to each related party; and ensure that transactions with related parties are subject to periodic review/audit.

Related Party Transactions Committee 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Mr. Jesus Roberto S. Reyes	4/4
Member	Mr. Simoun S. Ung	4/4
Member	Mrs. Maria Victoria C. Españo	4/4

TRUST COMMITTEE

The Trust Committee provides oversight of the Bank's activities in managing its trust business. Its responsibilities include, but are not limited to, the acceptance and closing of trust and other fiduciary accounts; the initial review of assets placed under the trustee's fiduciary's custody; the investment, reinvestment, and disposition of funds or property; the review of trust and other fiduciary accounts at least once a year to determine the advisability of retaining and disposing of the trust of fiduciary assets, and/or whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship.

Trust Committee 2025		
Position in the Committee	Name	No. of Meetings Attended
Chairman	Mr. Jesus Roberto S. Reyes	4/4
Member	Mr. Anthony Brent Elam	4/4
Member	Mr. Felino James Marcelo*	2/2
Member	Mr. Ryan Joseph Salud (Trust Head)	4/4

*Appointed in April 2025

MANAGEMENT-LEVEL COMMITTEES

Maybank Philippines has six (6) Management-level committees tasked to support the Bank's Management, namely: the Management Committee, the Asset and Liability Committee, the Credit Committee, the Staff Committee, the IT Steering Committee, and the Audit Exception Review Committee.



MANAGEMENT COMMITTEE

The Management Committee directs and reviews the Bank’s overall operations to achieve its Board-approved objectives and targets. It also reviews and recommends the Budget Plan of MPI and evaluates the Bank’s performance against budget.

ASSET AND LIABILITY MANAGEMENT COMMITTEE

The Asset and Liability Management Committee monitors and reviews the Bank’s overall asset and liability management structure to address market risk, liquidity risk, interest rate risk, and capital management.

CREDIT COMMITTEE

The Credit Committee approves the credit facilities and credit-related matters and transactions based on a two-level risk-based authority limit, subject to the Board’s notation.

STAFF COMMITTEE

The Staff Committee formulates, plans, and recommends to the Corporate Governance Committee or the Board of Directors policies on all matters relating to the Bank’s employees.

IT STEERING COMMITTEE

The IT Steering Committee plans and directs the information technology-related initiatives of the Bank in line with the Board approved corporate strategy and plans.

AUDIT EXCEPTION REVIEW COMMITTEE

The Audit Exception Review Committee deliberates on the findings of MPI’s Internal Audit Group and monitors the status of actions taken as recommended by both the Bank’s Internal and External auditors.

TRAINING AND DEVELOPMENT

The members of the MPI Board of Directors undergo annual trainings on relevant topics related to corporate governance, banking trends and regulatory developments. Each Senior Management likewise attend executive development and alignment programs each year, for continuous learning and leadership capabilities enhancement, as available and offered within the Maybank Group.

On December 08, 2025, the Board of Directors attended the annual Corporate Governance Excellence (CG) Workshop on Navigating Governance in Groups and Annual Cybersecurity Awareness.

Regulatory trainings, spearheaded by the Risk, Compliance and Audit units in partnership with Human Capital, are continuously designed to ensure the organization’s overall business compliance to protocols provided by internal and external regulators.

Various capacity-building and leadership training programs also continue to be offered and implemented, which aimed to increase productivity and enhance skills of Maybankers and make the workforce future-ready.

RETIREMENT AND SUCCESSION POLICY

The Board recognizes that age is not the main factor in determining the effectiveness of a Director in discharging his duties and responsibilities, but rather based on his wisdom and qualifications.

A Director remains as such and maybe nominated/ re-elected to the MPI Board for as long as he is deemed fit and proper in accordance with the relevant qualifications to hold the position as a member of the Board, and possesses all the qualifications and none of the disqualifications under the MPI By-Laws and applicable laws and regulations.

MPI considers the age of sixty (60) as the retirement age for officers and staff. Employees, including Senior Management,

reaching this age shall be entitled to receive retirement benefits earned under existing laws and any collective bargaining agreement and other agreements.

However, Management may initiate to extend employment beyond the compulsory retirement age of up to the labor law mandated age of sixty- five (65) years old. This will be highly dependent on the exigency of the manpower requirements of the Bank, and those who will be extended shall be bound by a new contract.

MPI likewise implements a robust Talent Management Program aimed at enhancing the Bank’s Human Capital bench-strength and build people capabilities that support the Group’s current and future business and talent needs, thereby creating a high Talent Pool readiness required for Succession Planning.

Senior Management positions fall under Mission Critical Positions (MCP) and identified successors are prepared for accelerated leadership readiness through targeted interventions, as part of the Bank’s disciplined implementation of succession plans.

REMUNERATION OF THE BOARD OF DIRECTORS AND OFFICERS

In accordance to MPI’s By-Laws and by resolution of the Board, each Director shall receive a reasonable per diem allowance for his actual attendance at each meeting of the Board of Directors. Should he serve as a member of a committee or committees of the Bank, the Director shall be entitled to the compensation given a member hereof, subject to limitations set forth by law.

In no case shall the total yearly compensation of directors, as such Directors, exceed 10% of the net income before income tax of the Bank during the preceding year. In addition to their regular per-diems, the transportation and hotel accommodations of non-Filipino Directors are paid or reimbursed by the Bank.

Total remuneration paid to the Board of Directors for financial year 2025 amounted to **Php 20,120,873.00**, slightly higher as compared to **Php 19,772,147.00** recorded in the previous year.

For MPI officers, the Bank has adopted a remuneration system that is at par with the local banking industry. In particular, and as part of its transformation journey, MPI has adopted a rewards strategy that is anchored on the philosophy of

“Pay for Performance”. It is a holistic approach which ensures that compensation is linked to the business strategy. This, in turn, makes certain that the organization attracts the best talents, and retains and motivates its employees, while enhancing their skills to achieve high performance and career growth. Moreover, it significantly drives the Bank’s profitability, as well as its ability to give value to its shareholders.

This holistic approach to the MPI rewards structure offers both monetary and non-monetary incentives. Basic pay is benchmarked against the market rate and employee benefits are reviewed in terms of its competitiveness in the industry. This approach of “Total Rewards” has evolved to focus on the right compensation and benefits package, partnered with a robust career development and progression opportunities to help employees achieve their personal and professional aspirations, and at the same time, ensuring that the Bank is positioned to deliver high performance.

The most highly compensated management officers are the President and CEO, Executive Vice President/s and Senior Vice Presidents.

The total amount spent in 2025 for Maybank employees’ compensation and benefits is **Php 1,863,662,515.00** which is a slight dip compared to the 2024 manpower cost of Php 1,892,135,856. This amount includes the salaries, bonuses, allowances, retirement provisions, and all other benefits of the officers and staff of Maybank Philippines, Inc.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING AND DISCLOSURE

The Board is primarily accountable to MPI’s shareholders. The Bank’s highest governing body aims to provide its shareholders with a balanced and clear assessment of MPI’s performance and prospects when it presents the Bank’s audited annual and quarterly financial statements.

Aside from discussing its financial performance in the annual report, MPI also publishes its quarterly financial performance in newspapers of general circulation.

For the financial year ended 31 December 2025, the Bank’s financial statements were prepared in full compliance with the Philippine Financial Reporting Standards.



INTERNAL CONTROLS

The Board has an overall responsibility of ensuring that proper and adequate internal controls are in place to safeguard the Bank's assets and protect the interests of its stakeholders. The Board sees to it that internal audit examinations include the evaluation of the adequacy and effectiveness of internal controls covering financial, operational, compliance, and risk management matters.

ROLE OF INTERNAL AUDIT

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Bank's operations by providing independent, objective assurance and consulting activities which are designed to evaluate and enhance the risk management, control and governance processes in order to assist management to achieve its corporate goals. It helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

RELATIONSHIP WITH AUDITORS

The Board maintains a transparent and professional relationship with MPI's external and internal auditors. Through the Audit Committee of the Board, it recommends to shareholders a duly accredited external auditor to undertake an independent audit, which is up for rotation every five (5) years as stipulated in the Bank's manual.

COMPLIANCE MANAGEMENT

Compliance Management is a vital component of MPI's second line of defense in managing risks. It ensures adherence to laws, rules, regulations and standards. It identifies and assesses compliance risks across MPI's operations, including new products, customer relations, and strategic changes.

Compliance Management facilitates the effective regulatory risk management through advisory on regulatory requirements and expectations; establishment and implementation of adequate compliance program, policies, guidelines and procedures; conduct of compliance testing/ review; development of structured compliance training programs; and periodic independent reports on MPI's state of compliance.

Compliance Management maintains independence from the business activities of the Bank. The Chief Compliance Officer reports to the Board of Directors through the Risk Management Committee. It continues to implement measures and controls to ensure that the duties performed and the decisions made, are carried out independently from Senior Management and all units of MPI.

Over the years, Compliance Management has grown in resources and expanded in functions to adapt to the dynamic regulatory environment and advancement of MPI's business. Significantly, Compliance Management has evolved beyond its traditional advisory role to become a proactive partner of business.

For the year 2025, Compliance Management focused on the following key areas:

1. Strengthening compliance culture;
2. Establishing a more streamlined and scalable compliance operating model across the Bank to ensure consistency, clarity of roles, and alignment with business objectives;
3. Strengthening the Risk and Control Self-Assessment (RCSA) process to comprehensively assess both operational and regulatory compliance risks;
4. Leveraging technology to automate compliance monitoring, reporting and controls; and
5. Delivering more customized compliance trainings and fostering active employee engagement.

In the ever-changing landscape of regulatory requirements and business operations, Compliance Management remains resolute in its commitment to uphold a robust compliance risk management within MPI. It will continue to institutionalize compliance practices in all stages of business. Compliance Management will also remain committed to establishing mechanisms that will ensure strict adherence to regulatory requirements, integrating compliance measures to complement business strategies, and prioritizing protection of customers' interests.

CODE OF ETHICS AND DISCIPLINE

MPI has a Code of Ethics and Discipline to guide all employees in discharging their duties and in dealing with customers, colleagues and public authorities. It also sets out the standards of good banking practices that all employees must observe. Specifically, the Code seeks to:

- Uphold the good name of MPI and to maintain public confidence with the Bank;
- Maintain an impartial relationship between Maybank and its customers;
- Uphold the high standards of personal integrity and professionalism of MPI employees;
- Maintain independence of judgment and action by consciously disclosing and avoiding any possible conflict of interest;
- Encourage the employees to share in the creation of a more just and humane society.

The Code, which was updated in June 2019, was cascaded and communicated to all MPI employees. MPI employees also confirm with Human Capital reading the Code each year.

In strict compliance with the health and safety protocols set by the government in 2020 at the onset of the pandemic, MPI has established an Annex to the Code for pandemic-related offenses to continue to protect the safety and well-being of its employees and customers. The Annex was cascaded and communicated to all MPI employees in August 2020.

CONSUMER PROTECTION

Aligned with the Group's vision on Humanising Financial Services, MPI is geared towards raising the bar in creating a customer-centric organisation. Imperative in achieving this goal is ensuring that consumer protection practices are embedded in our business operations.

We adhere to the highest service standards and embrace a culture of fair and responsible dealings in the conduct of our business through the adoption of BSP's Financial Consumer Protection Program.

The MPI Financial Consumer Protection Framework (FCPF) provides the fundamental guidelines on consumer protection and oversight for the Maybank Group and MPI. This document serves as a key tool for all employees, alongside the Board and Senior Management in understanding, complying and managing day to day consumer protection activities of MPI.

ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT COMMITTEE

The Board and Management Committee are jointly responsible for developing the consumer protection strategy and establishing an effective oversight over MPI's consumer protection programs.

The Board shall be primarily responsible for approving and overseeing the implementation of MPI's consumer protection policies as well as the mechanism to ensure compliance with the said policies.



Board of Directors	Management Committee
Approval and implementation oversight	Implementation of the FCPF
Monitor FCPF implementation and management	Manage day-to-day consumer protection activities
Oversee Compliance with the FCPF	Development and implementation of Customer Service Training Program
Promote a culture of ethical behavior and adherence to the highest standards of all relevant laws and regulations	
Ensure sufficient resources are devoted to the implementation of the FCPF	
Address weaknesses and make corrective actions in a timely manner	

- The Management Committee (ManCom) is expected to:
- Create an open and empowering culture to encourage responsible and ethical behaviour.
 - Promote staff awareness of importance of consumer protection, including providing adequate training, in their respective business functions, especially those who have regular interaction with customers.
 - Set-up effective systems and controls to manage and monitor compliance with all applicable laws, regulatory standards, best practices and internal guidelines.
 - Be alert to early warning indicators of potential problem or threats to the Bank’s reputation.

CONSUMER PROTECTION RISK MANAGEMENT SYSTEM

To ensure adherence to consumer protection laws, rules and regulations, MPI has put in place policies and procedures in ensuring that all its business activities and that of its officers and staff are conducted in accordance with all applicable laws, rules regulations and regulatory guidelines in the highest ethical standards. The policies include (but not limited to):

- i. MPI Non – Financial Risk Policy
- ii. MPI Non – Financial Risk Procedures
- iii. Complaints Management
- iv. MPI Data Privacy Protection Framework
- v. Respective unit’s Operations Manual

Effective Recourse

MPI provides an accessible, affordable, independent, fair, accountable, timely, and efficient means to our customers for resolving concerns with their financial transactions. We have established a wide range of channels where customers can conveniently lodge their complaints, inquiries and requests; and put in place a dedicated helpdesk or hotline for the said purpose. Our employees have been adequately trained to acquire the skills and knowledge in handling various customer concerns.

- For our 2025 Performance:
- We received **3319** complaints and disputes, **99.8%** has been resolved as of year end
 - Our customer survey results returned a Net Promoter Score of +40, which is close to the +41 score in year 2024

MPI’s Service Quality Management (SQM) Unit is responsible in the end-to-end complaints management. The unit monitors the complaints received are addressed and resolutions are properly communicated to the client. Apart from complaints management, SQM also ensures that the BSP’s Financial Consumer Protection guidelines are adhered to by all business units. All new launches or changes in a product/ service, its terms and conditions, advertising and external communications go through careful review. Level 1 approvals include the heads of SQM and Customer Care. This process confirms that the information given to customers are clear, concise and are easily understandable. Similarly, it allows a smooth journey for all customer concerns.

Employee trainings are conducted to ensure that they are well-informed on the Financial Customer Protection guidelines. Other courses include systems trainings on the complaints ticketing system to increase the efficiency in complaints handling.

Compliance and Internal Audit review the Bank’s consumer protection practices, adherence to internal policies and procedures, and compliance with existing laws, rules and regulations. Changes/updates in processes are well-documented and approved by relevant parties. This confirms each department/unit is aware of its responsibilities and accountability is clear.

COMPLAINT MANAGEMENT STANDARD OPERATING PROCEDURE

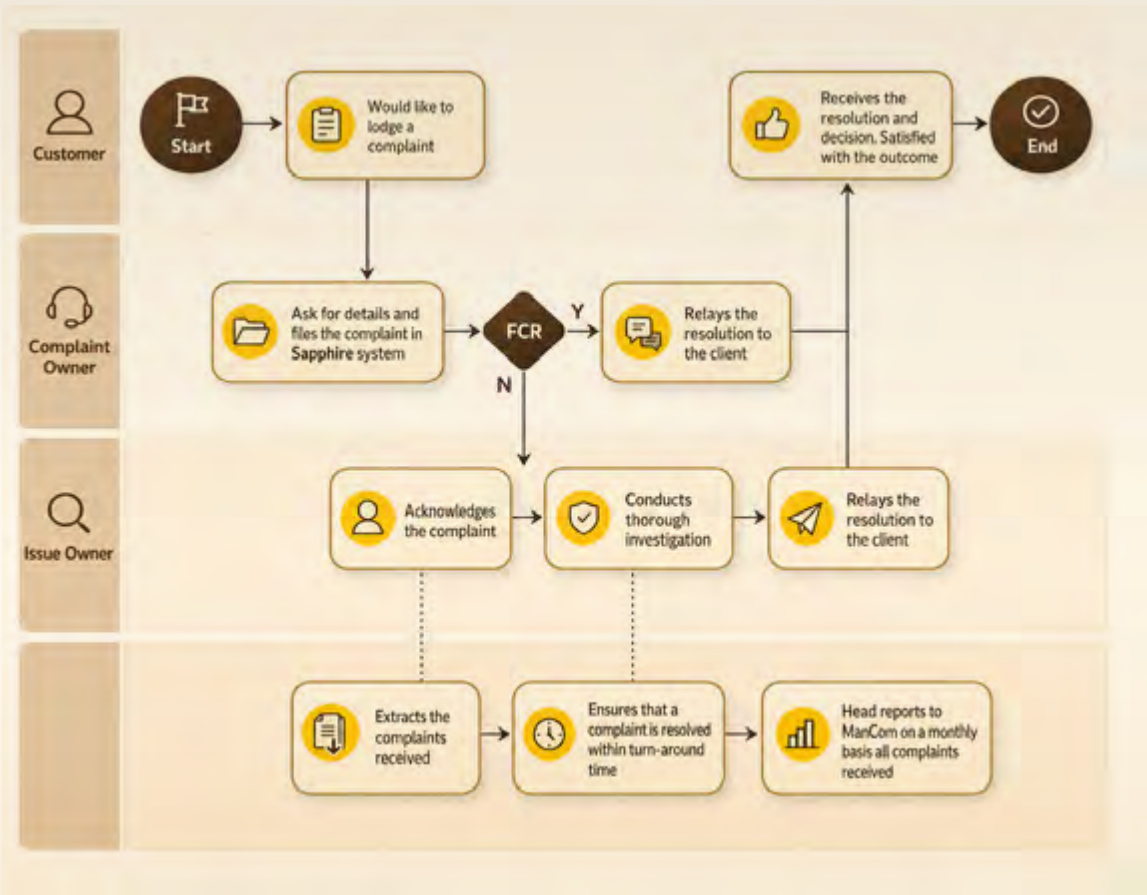
Having a well-designed and well-managed mechanism for handling customer complaints can improve the quality of our work, enhance the trust and confidence of our stakeholders, identify our areas of improvement, and ensure that Maybank learns from the feedback provided through this process.

The complaints and response mechanism is linked to the principles of our Customer Experience Transformation and will ensure feedback, transparency, and learning which will strengthen our accountability as an organization. In line with Maybank’s thrust of building a truly Customer Centric Framework across the Group, Service Quality Management (SQM) will have oversight on the Consumer Assistance Management System (CAMS) Team. The members of the CAMS team are subject matter experts of their own units and are the key point-persons of SQM to ensure complaints are resolved properly and within timeline.

MPI’s SQM Head reports to the Head of Stakeholder Management Team under the Office of the President. The Head of SQM is taken to regularly present the monthly complaints data to the ManCom and Board of Directors including the preventive measures to prevent reoccurrence.

MPI's handling process flow is as follows:

Complaints Handling Process Flow



- All complaints are documented by the touch point (TP) personnel in a central complaints database. Touch Point (TP) refers to available channels where customers may lodge their complaint (ie. branches, call center, website, Service Quality Management, etc). TP personnel is required to acknowledge and attempt to resolve the complaint. Complaints that cannot be resolved at first point of contact are escalated to the issue owner also part of the CAMS Team.
- Issue Owner is required to acknowledge complaints received, ensures resolution and communicates the resolution to the customer for proper closure.
- CAMS members are to ensure all complaints are attended to professionally and satisfactorily within the agreed turnaround time.
- Service Quality Head reviews and monitors all complaints lodged in the system and ensures that all complaints are. Discussions on preventive measures happen with the issue owners and the department heads to improve quality of work and efficiency.

DIVIDEND POLICY'

Dividends may be declared from the surplus profits arising from the business of the Bank at such time and in such percentage, as the Board may deem proper. No dividends may be declared that will impair the Bank's capital. Dividends shall be declared in accordance with the law.

SHAREHOLDER INFORMATION

Name of Stockholder/ Nationality	Type of Shares	Number of Shares	Percentage of Ownership
Malayan Banking Berhad/Malaysian	Common	305,798,758	99.86%
	Preferred	60,814,533	
	TOTAL	366,613,291	
Minority/Various	Common	42,776	0.14%
	Preferred	3,596,541	
	TOTAL	3,639,317	
			100%



RISK MANAGEMENT

Maybank Philippines
2025 Annual Report

Introduction

Risk Management continues to evolve in response to the dynamic global business landscape and regulatory environment. We thus positioned ourselves to remain resilient amid changes, identifying key risk drivers and implementing initiatives to improve our value creation to support MPI's strategic objectives.

Strategic Objectives	Key Outcomes
Customer-Focus	- Growth in retail banking, leveraging on strengths in the motor & property segments - Scaled up Small to Medium Enterprises - Strengthened Corporate Banking proposition
Channel-Focus	- Transformed branch capabilities - Maximised Maybank Group ecosystem and expand partnerships
Enabler Mindset	- Next-Gen workforce culture to implement long-term strategies - Enhanced operating model efficiency

The Bank employs a comprehensive enterprise-wide approach to risk management, guided by robust policies, procedures, and tools. These include independent assessment and continuous monitoring of inherent risks. At the core of the Bank's framework is a strong risk culture, which serves as the foundation and driver of our governance and risk management practices. MPI's Risk Management operates within an integrated framework aligned with industry best practices, ensuring effective oversight and proactive risk mitigation across all areas of the business.

The mission of MPI's Risk Management function is to develop measures to ensure that risks inherent to the Bank's activities are properly identified, measured, controlled, monitored, and reported under both business-as-usual conditions and stress events. MPI Risk Management remains steadfast in its commitment to delivering long-term value, playing a proactive role in guiding and supporting the Bank's strategic

and operational goals. By embedding risk awareness into decision-making processes and fostering close collaboration with business units, Risk Management positions itself as a strategic enabler – enhancing resilience, promoting sustainable growth, and ensuring the Bank is well-prepared to navigate uncertainties. This integrated approach safeguards the Bank's assets and reputation, as well as reinforces stakeholder confidence in the strength and stability of operations.

Board Responsibility

The Board acknowledges its overall responsibility in establishing a sound risk management and internal control system as well as in reviewing its adequacy and effectiveness. In view of the inherent limitations in any internal control system, the risk management and internal control system can only provide reasonable assurance that the significant risks impacting MPI's strategies and objectives are managed within the risk appetite set by the Board and Management, rather than absolute assurance regarding achievement of the Bank's objectives. It does not in any way eliminate the risks of failure to realize the Bank's objectives against any material misstatement, fraud or loss. The inherent limitations include, amongst others, human error, the uncertainty inherent in judgment and the potential impact of external events outside management's control as well as human collusion to circumvent internal controls.

Recognizing the importance of a sound risk management and internal control system, the Board has established a governance structure to ensure effective supervision of risks and controls in the Bank. The Board is satisfied that the Bank has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Bank in its achievement of the business goals and objectives amidst the dynamic and challenging business environment and regulatory requirements. The outcome of this process is closely monitored and reported to the Board for deliberation. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

The Board receives reports on a periodic basis relating to regulatory developments and compliance deficiencies identified with the Bank. The Board focuses on the deficiencies reported, understands the root causes and directs Management to take all steps necessary to correct the circumstances and conditions that had caused the compliance deficiencies. This includes specific remediation plans and follow-up actions to ensure the deficiencies are addressed.

Management Responsibility

The Management is overall responsible for implementing the Board's policies and procedures on risk and controls. Its roles include:

- Identifying and evaluating the risks relevant to the Bank's business, and the achievement of business objectives and strategies
- Formulating relevant policies and procedures to manage these risks in accordance with the Bank's strategic vision and overall risk appetite
- Designing, implementing and monitoring the effective implementation of risk management and internal control system
- Implementing the policies approved by the Board;

- Implementing the remedial actions to address the compliance deficiencies as directed by the Board and regulators;
- Reporting in a timely manner to the Board any changes to the risks and the corrective actions taken.

Enterprise Risk Management Framework

Risk Universe
The Bank has in place, a Risk Universe that lists all potential risks that could affect MPI. On an annual basis, and whenever necessary, the Bank through its Material Risk Assessment Process (MRAP) identifies the material risks that could potentially hinder MPI from achieving its set objectives.

Listed below are the material risks identified from the MPI Risk Universe using the Material Risk Assessment Process (MRAP):

Principal Risk	What It Means to Us
Credit Risk	The Bank's risk of loss of principal or income arising from the failure of an obligor or counterparty to perform their contractual obligations In accordance with agreed terms.
Market Risk	Risk of loss or adverse impact on the Bank's earnings or capital from changes in the level of volatility of market rates or prices such as interest/profit rates, foreign exchange rates, commodity prices, and equity prices.
Liquidity Risk	Risk of adverse impact to the financial condition or overall safety and soundness of the Bank that could arise from the inability (or perceived inability) or unexpected higher cost to meet its obligations.
Interest Rate Risk in the Banking Book	Risk of loss in earnings or economic value on banking book exposures arising from movements in the interest rates.
Operational / Non-Financial Risk	Risk of loss arising from operational events and/or external factors that could result in monetary losses or negative impact in brand value and/or stakeholder perceptions towards the Bank. It comprises operational, information, and reputational risks, as well as other downside risks (i.e. "known" unknowns). Holistically, it is from the point of discovery through active risk and business continuity management.
Information Technology & Cyber Risk	Risk which impacts confidentiality, availability, and integrity of information and services related to information technology. This includes risks that customers or the business may suffer on service disruptions or may incur losses arising from system defects, illegal or unauthorized use of computer systems or data breach via computer systems perpetrated either by internal staff/vendors or external parties. This also includes Cyber Risk that can lead to losses due to cyber-crime and cyber terrorism. The consequences are potential breach of customer data/information and reputational impact to the Bank.
Regulatory Risk	Risk that may erode the franchise value of the Bank such as legal or regulatory sanctions, material financial loss, or loss to reputation which 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. Said risk may also arise from failure to manage conflict of interest, treat customers fairly, or effectively manage risks arising from money laundering and terrorist financing activities.
Enterprise Risk	Risk of loss to the Bank arising from business/strategic, industry, reputational, corporate governance, sustainability and data quality risk.
Model Risk	Risk of a model not performing the tasks or capture the risks it was designed to address.
Financial Risk	Risk of loss to the Bank arising from capital and profitability risk.
People & Performance Risk	Risk of failure where talents do not have necessary knowledge or skills that may lead to gaps or disruptions to deliver objectives.
Sustainability Risk	Risk of being unable to sustain growth anchored on certain practices that may have negative externalities resulting to dilapidation of value chain over a period of time, or impact other related systems

Risk Principles

MPI's risk management approach is underpinned by a sound and robust Enterprise Risk Management Framework, which is constantly enhanced to remain relevant and resilient amidst the ever-changing global risk landscape, regulatory requirements and leading practices in ensuring effective management of risk. The overall structure of the Enterprise Risk Management Framework is shown below.



Key Risk Principles

- i. Establishing a risk appetite and strategy which is approved by the Board that articulates the nature, type and level of risk the Bank is willing to assume.
- ii. Driving capital management by strategic objectives that takes into account the relevant regulatory, economic and commercial environments in which the Bank operates.
- iii. Ensuring proper governance and oversight through a clear, effective and robust Bank governance structure with well-defined, transparent and consistent lines of responsibility established within the Bank.
- iv. Promoting a strong risk culture that supports and provides appropriate standards and incentives for professional and responsible behavior.
- v. Implementing risk frameworks, policies and procedures to ensure that risk management practices and processes are effective at all levels.
- vi. Executing robust risk management practices and processes to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Bank.
- vii. Ensuring sufficient resources, infrastructure and techniques are in place to enable effective risk management.

Risk Appetite

The Bank's risk appetite is a critical component of our robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of Management at all levels. Our risk appetite enables the Board and Senior Management to communicate, understand and assess the types and levels of risk that we are willing to accept in pursuit of our business objectives.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to changing business and market conditions. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. Our risk appetite also provides a consistent structure in understanding risk, and is embedded in the day-to-day business activities and decisions throughout the Bank.

Guided by these set of principles, the articulation of our risk appetite is done through Risk Appetite Statements, encompassing all material risks across the Bank. This forms the link in which the risk limits and controls are set in managing risk exposures arising from business activities. Acting as both governor of risk and a driver of current and future business activities, the risk appetite ultimately balances the needs of all stakeholders and acts as powerful reinforcement to a strong risk culture.

Principles of Risk Appetite

The goal of risk management is not to eliminate risk, but to manage it effectively to provide our stakeholders with long-term returns that are commensurate with the risk the Bank takes. Hence, the Bank's Risk Appetite Statement (RAS) is in essence the Board and Senior Management's statement of intent, and 'posture' on its risk-taking activities as well as the management of it.



Risk Governance

The governance adopted in the Bank provides a formalized, transparent and effective structure that promotes active involvement from the Bank and Senior Management in the risk management process to ensure a uniform view of risk across the Bank.

Our governance model places accountability, ownership, and agility, in ensuring an appropriate level of independence and segregation of duties. The management of risk broadly takes place at different hierarchical levels and is emphasized through various levels of committees, business lines, control and reporting functions. The structure is premised on the three lines of defense which include risk taking units, risk control units, and internal audit.

- First line: "Risk-Taking Units"
 - Consists of both business and support units who are ultimately responsible to manage day-to-day risks inherent in our business and activities.
 - Ensures effective risk oversight, alignment to the implementation of risk frameworks, policies and procedures and clarity in risk management functions and practices.
- Second line: "Risk Control Units"
 - Includes risk management and compliance functions to provide effective oversight and guidance over the effective operation of the risk management framework.
 - These units have similar responsibilities to the 1st line of defense for the processes and activities they own. In addition, they are responsible in ensuring implementation and execution of risk management frameworks, policies and tools.
- Third line: "Internal Audit"
 - Internal audit forms the 3rd line of defense and provides independent assessments and validation that risk management frameworks and practices are sufficiently robust in support of the Bank and consistent with regulatory standards.

Maybank Philippine Risk Governance Model

BOARD OF DIRECTORS						
MPI's ultimate governing body with overall risk oversight responsibility including defining the appropriate governance structure and delegation of authority						
BOARD RISK COMMITTEES	Risk Management Committee (RMC)					
	Responsible for the risk oversight function including but not limited to approving the Bank's risk management strategies, frameworks, plans, policies, tolerances and risk appetite limits.					
MANAGEMENT COMMITTEES	Management Committee (ManCom)	Credit Committee (CC)	Asset & Liability Management Committee (ALCO)	IT Steering Committee (ITSC)	Audit Exception Review Committee (AERC)	MPI Sustainability Committee (MSC)
	Responsible for directing the overall operations to achieve MPI's business objectives. ManCom also addresses other material risks of the bank except credit, market and liquidity risks.	Responsible for the approval of the loans/ proposals as per the thresholds set based on the authority limits.	Responsible for the management of market and liquidity risk through the formulation of broad strategies for the balance sheet profile and funding structure of MPI	Responsible for planning and directing computerization of MPI that commensurate with corporate objectives.	Responsible to undertake periodic testing of the effectiveness and efficiency of the risk management frameworks and internal controls in place	Responsible to steer, coordinate, and ensure effective implementation of MPI's Sustainability Agenda in line with the Bank's commitment towards sustainability
	1 st Line of Defense		2 nd Line of Defense		3 rd Line of Defense	
	Risk-Taking Units Business and Other Support Units		Risk-Control Units Risk Management & Compliance		Independent Validation Internal Audit	
▼		▼		▼		
Day-to-day Management of Risks		Risk Oversight of Frameworks, Policies, and Procedures		Independent Assurance		

Board of Directors

The Board of Directors is the Bank's ultimate governing body, which has overall risk oversight responsibility including defining the appropriate governance structure and delegation of authority. It approves the risk management framework, risk appetite, plans and performance targets, the appointment of senior officers, delegation of authorities for credit and other risks, and the establishment of effective control.

The Board has delegated the Risk Management Committee to formulate policies and frameworks to identify, measure, monitor, manage, and control material risk components.

Risk Management Committee (RMC)

The RMC is a dedicated Board Committee responsible for the risk oversight function within the Bank, including but not limited to approving MPI's risk management strategies, frameworks, and policies for the material risks faced by the Bank.

Other roles and responsibilities of the Risk Management Committee are:

- To review and approve risk management strategies, risk frameworks, risk policies and risk tolerance, and risk appetite limits of the Bank;
- To review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring, and controlling risk and the extent to which these are operating effectively;

- To ensure infrastructure, resources, and systems are in place for risk management i.e. ensuring that the staff responsible for implementing risk management systems perform those duties independently of the financial institution's risk taking activities; and
- To review the management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

Risk Management Group

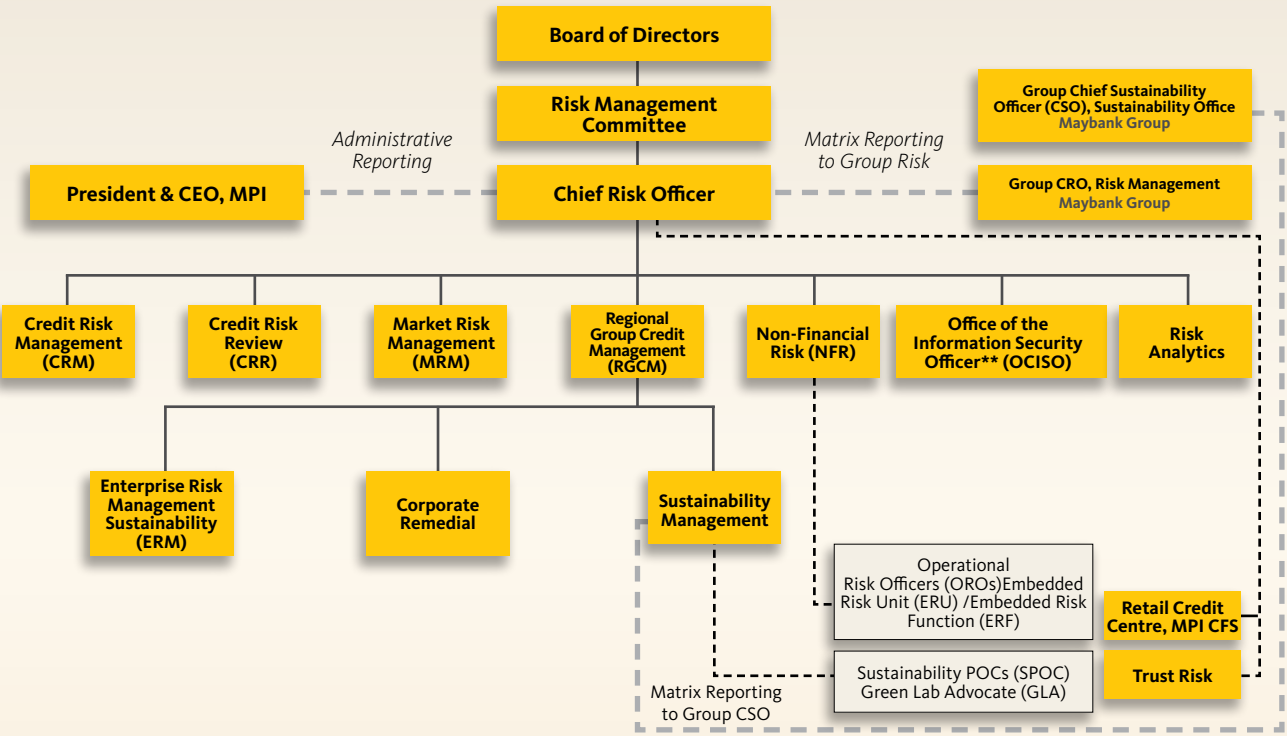
Risk Management is functionally independent of risk-taking units within the Bank. It is responsible for the development of measures to ensure that the risk inherent to the Bank's activities are properly identified, measured, controlled, monitored, and reported.

Risk Management has the following general objectives:

- To promote risk management culture and philosophy of risk awareness;
- To assist risk-taking business and operating units in understanding and measuring risk/return profiles;
- To develop risk and control infrastructure;
- To develop, disseminate, and maintain formalized risk policies, frameworks, methodologies, and tools;
- To provide effective means of differentiating the degree of risk in various business portfolios of the Bank

Risk Governance and Oversight

MPI Risk Management Group Organizational Structure



The Risk Management Group is headed by the Chief Risk Officer and is composed of the following units:

Credit Risk Management (CRM) is responsible for the formulation of frameworks, methodologies, policies, and tools for the identification, monitoring, reporting and controlling of credit risk. CRM also supports the Credit Committee (CC), functioning as Secretariat.

Credit Review (CRR) conducts unbiased post-review on credits which have been approved, providing feedback on the quality of the credit appraisal, and the quality of the overall portfolio creditworthiness of the business segment.

Market Risk Management (MRM) is responsible for the formulation of frameworks, methodologies, policies, and tools for the identification, monitoring, reporting and controlling of market, IRRBB, liquidity, and treasury credit risk. The team also provides evaluation, analysis, information and recommendation

on the management of market and liquidity risks, treasury credit, balance sheet and funding initiatives to ALCO and CC, to facilitate informed strategic management decision-making. MRM acts as the secretariat for ALCO.

Regional Group Credit Management (RGCM) primarily focuses on conducting independent credit evaluation of business loan-related proposals from Global Banking and the Consumer Finance Services (Business Banking, Wholesale Auto Finance). The team also handles pre-approval evaluation of counterparty requests from Global Markets and Trust. RGCM evaluates project accreditation for Mortgage Loans and assists Credit Risk Management team in policy review. As a critical component of managing asset quality, RGCM undertakes Early Care function and spearheads the Asset Quality Management Committees.

Non-Financial Risk (NFR) is responsible for the formulation of frameworks, methodologies, policies, and tools for the identification, monitoring, reporting and controlling of operational risk. The team also handles the Bank’s Business Continuity Plan and conducts monitoring of fraud risks. Systems/tools such as the Risk Control Self-Assessment (RCSA), and Incident Management and Data Collection (IMDC) are also being maintained by NFR.

Office of the Chief Information Security Officer (OCISO) is responsible for the overall information security and cyber security programs of the Bank, by managing, maintaining, monitoring, and improving information security goals and objectives consistent with organizational and business needs. OCISO undertakes the eventual reduction of risks arising from potential and actual cyber-attacks by means of employing technical resources to monitor, detect, respond to, and eradicate emerging threats. The unit is also instrumental in maintaining the Bank’s cyber security maturity rating at an acceptable level.

Enterprise Risk Management (ERM) is responsible for the formulation of frameworks, methodologies, policies, and tools for the identification, monitoring, reporting, and controlling of all other material risks faced by the Bank. ERM monitors the overall risks of the Bank at an enterprise-wide level. The unit also drives the Bank’s Internal Capital Adequacy Assessment Process (ICAAP), Stress Testing exercise and roll-out and management of various Risk-based Pricing Tools.

Environmental, Societal and Governance (ESG) Risk is responsible for spearheading ESG Risk initiatives from conceptualization until implementation, including regulatory requirements in managing climate change risk and climate change stress testing in tandem with various units in the Bank. ESG Risk also acts as lead collaborator across functional teams within Risk Management and Business Units to support development, implementation, and integration of ESG Risk Strategies.

Corporate Remedial implements recovery strategies to effectively manage and reduce financial impact of NPL accounts, to support the Bank’s overall corporate health. Strategies include client engagements and negotiations, recovery and disposal, up to legal actions to file criminal cases and/or extrajudicial foreclosures of mortgages.

Sustainability Management is responsible in overseeing processes contributing towards the achievement of the Bank’s sustainability agenda, goals, targets, approach to activities, initiative implementation, ESG data management and reporting, and ethical governance standards, alongside long-term shareholder value that considers the interests of other stakeholders.

Risk Analytics (RA) is primarily responsible for the development and management of credit risk portfolio reporting and standards that support risk based decision making and portfolio actions, with the objective of effectively managing the Bank’s overall credit portfolio. The team’s core functions include the development, implementation, and performance monitoring of credit risk models; preparation of the monthly consolidated loans report; calculation of monthly loan loss provisions; and periodic portfolio reviews, including the production of relevant credit risk reports for internal (MPI) and Group stakeholders. In addition to these regular responsibilities, the team conducts credit risk analytics studies and supports relevant business units by handling ad hoc data extraction requests and performing targeted data analyses.

Risk management principles, policies, procedures, and practices are updated regularly to ensure their relevance and compliance with current and applicable laws and regulations, and are made available to all employees.

Risk Culture
The Bank’s risk framework and governance structure is consistently upheld only if reinforced by the right risk culture. In the Bank, a strong risk culture is a fundamental tenet of risk management and serves as the foundation upon which a robust enterprise-wide risk management structure is built.

A strong tone from the top drives the risk culture and strengthened by the tone from the middle, to ingrain the expected values and principles of conduct that shape the behavior and attitudes of employees at all levels across the Bank.

Risk Management Practices & Processes
The following are the five main stages of the risk management process being carried out by the Bank:



- Identification – Discovery of entity-level and process-level risks through an established Risk Assessment Process and Risk and Control Self-Assessment exercise. The Bank has also established a process to identify and assess risks for new products and processes.
- Measurement – The Bank has established various methodologies, approaches, models, and techniques to measure both Pillar I and Pillar II risks. Data management and risk infrastructure is in place to carry out this process.
- Control – To control the identified risks, the Bank has established qualitative and quantitative controls, preventive measures, and mitigating actions, and active management.
- Monitoring – Monitoring of risk exposures vs. limits/ triggers are carried out by the risk control units.
- Reporting – Risk management matters are reported to management and RMC/BOD on an ongoing basis through various monitoring tools and reports.

Capital Management Framework
The Bank has a Capital Management Framework to ensure that the management of capital is consistent and aligned across MPI. The Capital Management Framework, which is approved by the Board, provides a comprehensive approach to the management of capital for the Bank. Specifically, the framework aims to:

- Establish a formal capital management framework for MPI within which the capital management policies and procedures will be developed and implemented;
- Formulate the principles and strategies to be adopted by MPI in managing and optimizing its capital;
- Clearly define roles and responsibilities of the MPI Board of Directors, Management Committee, and the concerned groups/units within the Bank with regard to capital management matters;
- Establish guidelines for managing capital in an integrated basis and to ensure compliance with all internal and regulatory requirements across the Bank; and
- Promote a high level of corporate governance in the area of capital management within the Bank.

Capital Management

MPI’s approach to capital management is driven by its strategic objectives and takes into account all relevant regulatory, economic and commercial environments in which the Bank operates. The Bank regards having a strong capital position as essential to the Bank’s business strategy and competitive position. Thus, implications on MPI’s capital position are taken into account by the Board and Senior Management prior to implementing major business decisions in order to preserve the Bank’s overall capital strength.

A strong governance and process framework is embedded in MPI’s Capital Management Framework. Appropriate policies are in place governing the transfer of capital within the Bank. The purpose is to ensure that capital is remitted as appropriate, subject to local regulatory requirements and overall capital resource is optimized at all levels within the Bank. Overall responsibility for the effective management of capital rests with the Board while the Management is responsible for ensuring the effectiveness of the capital management policies in an ongoing basis and for updating the Capital Management Framework to reflect revisions and new developments.



Capital Management Plan

MPI's Capital Management Framework is also supplemented by the MPI Capital Management Plan to ensure robust monitoring of the Bank's capital position and to ensure that the Bank has adequate levels of capital and optimal capital mix to support the Bank's business plans and strategic objectives during the financial year.

The quality and composition of capital are key factors in the Board and Senior Management evaluation of MPI's capital adequacy position. MPI places strong emphasis on the quality of its capital, and, accordingly, holds a significant amount of its capital in the form of common equity, which is permanent and has the highest loss absorption capability on a going concern basis.

Capital Structure

Based on its audited results preceding two (2) years (FYE December 2024 and 2025), MPI's qualifying capital has remained above the regulatory minimum as shown in the table below.

MPI's Tier 1 capital, which consists of the Bank's core capital composed of common shares, retained earnings and current year profit less deductions, has made up the largest portion of its qualifying capital as this accounted for 81.16% of regulatory capital as of end-December 2025.

2023-2025 MPI Capital composition:

Capital Composition (in Php Millions)	FYE 2023	FYE 2024	FYE 2025
Paid-up Common Stock	10,313.19	10,313.19	10,313.34
Additional paid-in Capital	-	-	-
Retained Earnings	2,144.30	2,255.88	1,232.82
Undivided Profits	196.71	(697.97)	(1,964.54)
Cumulative FX Translations	-	-	-
Other Comprehensive Income	(273.19)	(398.95)	(479.11)
Less: Regulatory Adjustments	1,313.59	1,066.49	1,067.02
Common Equity Tier 1 Capital	11,067.41	10,405.66	8,035.49
Additional Tier 1			
Total Tier 1 Capital	11,067.41	10,405.66	8,035.49
Paid-up Perpetual and Cumulative Preferred Stock	-	-	-
Net Unrealized Gains on AFS Equity Sec purchased (subject to 55% discount)	-	-	-
General Loan Loss Provision	570.88	453.42	575.43
Other Limited Life Capital Instruments	-	-	1,290.25
Total Tier 2 Capital	570.88	453.42	1,865.68
Total Qualifying Capital	11,638.30	10,859.08	9,901.16
Minimum Required	2,400.00	2,400.00	2,400.00
Excess (Deficiency)	9,238.30	8,459.08	7,501.16
Capital Conservation Buffer	10.63%	7.95%	6.12%

Internal Capital Adequacy Assessment Process (ICAAP)

The Bank has an approved ICAAP Framework with areas that cover Capital Management, Pillar 1 and Pillar 2 Risk Measurement, Minimum Internal Capital Requirement Calculation, Use of the ICAAP, Governance Structure and Reporting Framework.

The overall capital adequacy in relation to its risk profile is assessed through a process articulated in the Bank's ICAAP. The ICAAP has been implemented to ensure that all material risks are identified, measured, and reported, and adequate capital levels are consistent with the risk profiles.

MPI's ICAAP closely integrates the risk and capital assessment processes. The framework is designed to ensure that adequate levels, including capital buffers, are held to support MPI's current and projected demand for capital under existing and stressed conditions. An ICAAP Document is submitted to the Management Committee, Risk Management Committee and Board of Directors for a comprehensive review of all material risks faced by the Bank and assessment of the adequacy of capital to support them.

In line with the BSP's Guidelines on ICAAP, MPI annually submits a Board-approved ICAAP Document to the BSP every March 31st. The requirements include an overview of ICAAP, composed of the current and projected financial and capital position, ICAAP governance, risk assessment models and processes, risk appetite and capital management, stress testing, and capital planning and the use of ICAAP.

Comprehensive Risk Assessment under ICAAP Framework

The ICAAP Framework shall identify all material risks faced by MPI and measures those risks that can be reliably quantified. The ICAAP, therefore, shall address the following types of risk:

- Risks captured under Pillar 1 – These cover credit risk, market risk, operational risk, and any other risk types included under Pillar 1 of the Basel II Framework.
- Risks not fully captured under Pillar 1 – These cover risks which are not fully captured under Pillar 1 process. Such risks relate to understatement/uncertainty of risks calculated under Pillar 1 and example includes model risk.

- Risk types not covered by Pillar 1 – These cover risks which are not specifically addressed under Pillar 1 and examples include credit concentration risk, interest rate risk in the banking book, and reputational risk.

Material risks are defined risks, which would materially impact the financial performance (profitability), capital adequacy, asset quality and/or reputation of the bank should the risk occur.

A key process called “Material Risk Assessment Process” is emplaced within MPI to identify, assess, quantify, mitigate, and manage material risks. This measurement methodology is carried out for the purpose of meeting the objectives of ICAAP, which are to:

- Ensure the identification of all material risks;
- Measure the risks reliably;
- Ensure capital is adequate to support all the material risks faced by the Bank.

Capital Adequacy Ratios

MPI's Capital Adequacy Ratio (CAR) has remained above the minimum regulatory requirement for the recently concluded financial year and prior two financial years. MPI's risk-based CAR, which takes into account Pillar 1 risks, has remained above the 7.5% minimum requirement by the BSP to Tier 1 Capital Ratio and 10% for the Total Capital Ratio, as shown in the table below:

Capital Adequacy Ratios (in Php Millions)	FYE 2023	FYE 2024	FYE 2025
Common Equity Tier 1 Capital	11,067.41	10,405.66	8,035.49
Total Tier 1 Capital	11,067.41	10,405.66	8,035.49
Total Tier 2 Capital	570.88	453.42	1,865.68
Total Qualifying Capital	11,638.30	10,859.08	9,901.16
Pillar 1 – Credit RWAs	57,005.16	65,489.73	57,297.22
Pillar 1 – Market RWAs	578.71	428.82	617.35
Pillar 1 – Operational RWAs	8,958.94	8,676.94	8,380.23
Pillar 1 RWAs	66,542.81	74,595.48	66,294.79
CET 1 Ratio	16.63%	13.95%	12.12%
Tier 1 Capital Ratio	16.63%	13.95%	12.12%
Total Capital Adequacy Ratio	17.49%	14.56%	14.94%
Pillar 2 RWAs	8,572.38	6,716.22	4,495.17
Pillar 1 + Pillar 2 RWAs	75,115.19	81,311.70	70,789.97



Minimum Capital Charge

The “Minimum Capital Charge” (MCC) refers to the minimum amount of capital, which the Bank is required to hold to support all the material risks it is subjected to. These risks include both Pillar 1 and 2 risks, which are either quantified or assessed based on a qualitative capital matrix.

MPI uses the Pillar 1 + Pillar 2 Add-on approach in measuring the capital adequacy for ICAAP. Under this approach, the common risk measure is Risk Weighted Asset (RWA) for Pillar 1 and Pillar 2 risks. Where there is a specific regulatory requirement for Pillar 2 add-on, such requirement is translated into the common measure of RWA to derive the aggregate RWAs for ICAAP purposes.

As at end-December 2025, risk-weighted CAR is at 14.94%. Inclusive of Pillar 2 RWAs, total capital ratio was at 13.99%. This level of capital against MPI’s Total RWA is a testament of the Bank’s resilience and strength in meeting its obligations, amidst challenges in the landscape.

Pillar 2 risks

“Pillar 2 risk” is defined as any risk faced by the Bank where capital has not been allocated or partially allocated under Pillar 1. Through the Bank’s Material Risk Assessment Process, the following risk areas are determined to comprise Pillar 2 risks:

1. Collateral Risk
2. Credit Concentration Risk
3. Country Risk
4. Interest Rate Risk in the Banking Book
5. Compliance Risk
6. Capital Risk
7. New Products & Services
8. Model Risk
9. Liquidity Risk
10. Business Continuity Management
11. IT Risk & Cyber Risk
12. Reputation Risk
13. Business & Strategic Risk

Credit Risk

Credit risks arise from obligations from the Bank’s direct lending operations, trade finance and its funding investment, and trading activities undertaken.

Credit Risk Management Framework

The Credit Risk Management (CRM) framework includes comprehensive credit risk policies, tools, and methodologies for identification, measurement, monitoring, and control of credit risk on a consistent basis.

Credit Risk Management undertakes the improvement and implementation of the Maybank Group’s risk frameworks, tools, and methodologies for the identification, measurement, monitoring, and control of credit risk in accordance to the Bank’s risk appetite and lending direction and strategies. Methodologies are implemented in coordination with the Maybank Group to ensure consistency of the risk management approach. Where applicable, methodologies and tools are adopted from the Group and customized to the local operating environment.

Credit Risk Management is responsible for setting concentration limits. All loan products are coursed through the Regional Group Credit Management and Credit Risk Management for review.

The rest of the Risk Management Units also assist in the development and implementation of various mechanisms to support business generation, capital optimization, portfolio management, and Basel II implementation. Regional Group Credit Management is responsible for the pre-approval independent credit evaluation of credit proposals. It ensures that credit approval structures follow the “maker-checker rule” for appropriate check and balance. The Credit Risk Review (CRR) Unit undertakes the post-approval review of selected loan accounts.

Risk Measurement and Reporting

To measure risk of default for corporate and commercial loans, the Bank makes use of the International Risk Rating System (IRRS) which consists of twenty-one (21) risk grades that are mapped to external ratings, as well as risk classification according to BSP guidelines.

The IRRS is used as a tool for decision making as well as in determining appropriate pricing for loan accounts. The key risk indicators for credit measures the Bank’s credit risk position against targets, historical performance or industry average in selected areas as of a given period.

In terms of measuring the Bank’s ability to withstand the impact of stress conditions, stress testing methodology is used. Through the stress testing, the impact of exceptional events on the Bank’s asset quality, profitability, and capital adequacy is measured.

Loan portfolio reports covering areas such as business growth, asset quality, concentration of exposures and compliance to applicable regulatory and internal guidelines, are submitted to the CC, RMC, BOD and other end-users.

Risk Mitigation

Where appropriate, the Bank requires a second way out in the form of eligible collaterals or guarantee/surety to mitigate credit risk. There are various collaterals and securities that are acceptable to the Bank. In evaluating acceptability of collateral, three factors are considered: control, disposability and margin.

Capital Treatment for Credit Risk

MPI computes the minimum capital requirements against credit risk as per BSP’s Risk-Based Capital Adequacy Framework under Standardized Approach.

Credit Risk (in Php Millions)	FYE 2023			FYE 2024			FYE 2025		
	RWA	Total Capital Charge	Adjusted Capital Charge	RWA	Total Capital Charge	Adjusted Capital Charge	RWA	Total Capital Charge	Adjusted Capital Charge
On-Balance Sheet Assets	55,854.69	4,468.37	5,585.47	63,112.25	5,048.98	6,311.23	55,087.31	4,406.98	5,508.73
Off-Balance Sheet Assets	2,096.24	167.70	209.62	2,260.98	180.88	226.10	2,474.31	197.94	247.43
Counterparty Risk	43.55	3.48	4.35	116.49	9.32	11.65	59.37	4.75	5.94
Total	57,994.47	4,639.56	5,799.45	65,489.73	5,239.18	6,548.97	57,620.98	4,609.68	5,762.10

The following tables present MPI’s Credit Risk Exposures for on-balance sheet and off-balance sheet assets and counterparty risk-weighted assets:

FYE 2023				
Total Risk-Weighted On-Balance Sheet Assets (in Php Millions)	Exposures, Net of Specific Provisions	Exposures Covered by CRM, Gross of Materiality Threshold	Exposures Not Covered by CRM	Risk-Weighted Asset
Cash on Hand	1,869.09	-	1,869.09	-
Checks and Other Cash items	6.49	-	6.49	1.30
Due from Bangko Sentral ng Pilipinas (BSP)	10,025.24	-	10,025.24	-
Due from Other Banks	664.21	-	664.21	361.82
Debt Securities Designated at Fair Value through Profit or Loss	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	13,442.16	-	13,442.16	465.17
Debt Securities at Amortized Cost	11,313.67	-	11,313.67	1,300.82
Other Financial Assets Mandatorily Measured at FVPL	-	-	-	-
Loans and Receivables	50,728.17	5.20	50,722.98	44,093.90
Loans and Receivables Arising from Repurchase Agreements, Certificate of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	10,988.39	-	10,988.39	-
Sales Contract Receivables (SCR)	306.01	-	306.01	308.11
Real and Other Properties Acquired (ROPA)	1,790.45	-	306.01	2,685.68
Total Exposures Excluding Other Assets	101,133.90	5.20	99,644.26	49,216.79
Other Assets	5,894.03	-	5,894.03	5,731.69
Total Exposures Including Other Assets	107,027.93	5.20	105,538.29	54,948.49
Total Risk-weighted On-Balance Sheet Assets not covered by CRM	54,948.49			
Total Risk-weighted On-Balance Sheet Assets covered by CRM	-			
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS	54,948.49			



FYE 2024				
Total Risk-Weighted On-Balance Sheet Assets (in Php Millions)	Exposures, Net of Specific Provisions	Exposures Covered by CRM, Gross of Materiality Threshold	Exposures Not Covered by CRM	Risk-Weighted Asset
Cash on Hand	1,949.69	-	1,949.69	-
Checks and Other Cash items	6.44	-	6.44	1.29
Due from Bangko Sentral ng Pilipinas (BSP)	8,086.30	-	8,086.30	-
Due from Other Banks	2,975.48	-	2,975.48	1,509.46
Debt Securities Designated at Fair Value through Profit or Loss	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	14,418.29	-	14,418.29	1,550.16
Debt Securities at Amortized Cost	14,244.38	-	14,244.38	398.37
Other Financial Assets Mandatorily Measured at FVPL	-	-	-	-
Loans and Receivables	57,167.32	5.13	57,162.19	49,850.08
Loans and Receivables Arising from Repurchase Agreements, Certificate of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	-	-	-	-
Sales Contract Receivables (SCR)	294.22	-	294.22	295.46
Real and Other Properties Acquired (ROPA)	1,709.84	-	294.22	2,564.77
Total Exposures Excluding Other Assets	100,851.95	5.13	99,431.19	56,169.59
Other Assets	7,267.27	-	7,267.27	6,942.66
Total Exposures Including Other Assets	108,119.22	5.13	106,698.46	63,112.25
Total Risk-weighted On-Balance Sheet Assets not covered by CRM				63,112.25
Total Risk-weighted On-Balance Sheet Assets covered by CRM				-
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS				63,112.25

FYE 2025				
Total Risk-Weighted On-Balance Sheet Assets (in Php Millions)	Exposures, Net of Specific Provisions	Exposures Cov- ered by CRM, Gross of Materi- ality Threshold	Exposures Not Covered by CRM	Risk-Weighted Asset
Cash on Hand	2,162.83	-	2,162.83	-
Checks and Other Cash items	2.98	-	2.98	0.60
Due from Bangko Sentral ng Pilipinas (BSP)	3,641.10	-	3,641.10	-
Due from Other Banks	6,590.82	-	6,590.82	3,313.09
Debt Securities Designated at Fair Value through Profit or Loss	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	10,796.70	-	10,796.70	1,160.70
Debt Securities at Amortized Cost	11,131.61	-	11,131.61	620.62
Other Financial Assets Mandatorily Measured at FVPL	-	-	-	-
Loans and Receivables	49,279.25	4.99	49,274.26	42,321.67
Loans and Receivables Arising from Repurchase Agreements, Certificate of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions	1,300.41	-	1,300.41	-
Sales Contract Receivables (SCR)	544.66	-	544.66	667.11
Real and Other Properties Acquired (ROPA)	1,296.16	-	544.66	1,944.24
Total Exposures Excluding Other Assets	86,746.53	4.99	85,990.03	50,028.02
Other Assets	5,216.98	-	5,216.98	5,059.29
Total Exposures Including Other Assets	91,963.51	4.99	91,207.02	55,087.31
Total Risk-weighted On-Balance Sheet Assets not covered by CRM				55,087.31
Total Risk-weighted On-Balance Sheet Assets covered by CRM				-
TOTAL RISK-WEIGHTED ON-BALANCE SHEET ASSETS				55,087.31



FYE 2023			
Total Risk-Weighted Off-Balance Sheet Assets (in Php Millions)	Notional Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes (e.g. general guarantees of indebtedness and acceptances)	1,758.81	1,758.81	967.34
Transaction-related contingencies (e.g. performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	209.31	104.66	53.66
Trade-related contingencies arising from movement of goods (e.g. documentary credits collateralized by underlying shipments) and commitments with an original maturity of up to one (1) year	5,376.21	1,075.24	1,075.24
Other commitments which can be unconditionally cancelled at any time by the bank without prior notice and those not involving credit risk	19,365.66	-	-
Total Notional Principal Amount	26,709.99	2,938.71	
TOTAL RISK WEIGHTED OFF-BALANCE SHEET ASSETS			2,096.24

FYE 2024			
Total Risk-Weighted Off-Balance Sheet Assets (in Php Millions)	Notional Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes (e.g. general guarantees of indebtedness and acceptances)	1,766.98	1,766.98	952.13
Transaction-related contingencies (e.g. performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	141.67	70.83	69.83
Trade-related contingencies arising from movement of goods (e.g. documentary credits collateralized by underlying shipments) and commitments with an original maturity of up to one (1) year	6,195.10	1,239.02	1,239.02
Other commitments which can be unconditionally cancelled at any time by the bank without prior notice and those not involving credit risk	19,134.22	-	-
Total Notional Principal Amount	27,237.96	3,076.83	
TOTAL RISK WEIGHTED OFF-BALANCE SHEET ASSETS			2,260.98

FYE 2025			
Total Risk-Weighted Off-Balance Sheet Assets (Php Millions)	Notional Principal Amount	Credit Equivalent Amount	Risk-Weighted Assets
Direct Credit Substitutes (e.g. general guarantees of indebtedness and acceptances)	2,797.51	2,797.51	1,522.32
Transaction-related contingencies (e.g. performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions)	63.33	31.67	31.67
Trade-related contingencies arising from movement of goods (e.g. documentary credits collateralized by underlying shipments) and commitments with an original maturity of up to one (1) year	4,601.60	920.32	920.32
Other commitments which can be unconditionally cancelled at any time by the bank without prior notice and those not involving credit risk	14,236.79	-	-
Total Notional Principal Amount	21,699.23	3,749.50	
TOTAL RISK WEIGHTED OFF-BALANCE SHEET ASSETS			2,474.31

FYE 2023				
Total Counterparty Risk-Weighted Assets in the Trading Book (in Php Millions)	Notional Amount	Potential Future Credit Exposure	Credit Equivalent Amount	Risk-Weighted Assets
Interest Rate Contracts	193.80	-	-	-
Exchange Rate Contracts	6,614.23	75.39	86.84	43.55
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Amount	6,808.03	75.39	86.84	
TOTAL COUNTERPARTY RISK-WEIGHTED ASSETS OF DERIVATIVE TRANSACTIONS				43.55

FYE 2024				
Total Counterparty Risk-Weighted Assets in the Banking Book (in Php Millions)	Notional Amount	Potential Future Credit Exposure	Credit Equivalent Amount	Risk-Weighted Assets
Interest Rate Contracts	838.75	-	0.16	0.16
Exchange Rate Contracts	17,017.64	177.12	193.20	116.33
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Amount	17,856.39	177.12	193.36	
TOTAL COUNTERPARTY RISK-WEIGHTED ASSETS OF DERIVATIVE TRANSACTIONS				116.49

FYE 2025				
Total Counterparty Risk-Weighted Assets in the Banking Book (in Php Millions)	Notional Amount	Potential Future Credit Exposure	Credit Equivalent Amount	Risk-Weighted Assets
Interest Rate Contracts	-	-	-	-
Exchange Rate Contracts	9,061.31	94.26	129.68	59.37
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Amount	9,061.31	94.26	129.68	
TOTAL COUNTERPARTY RISK-WEIGHTED ASSETS OF DERIVATIVE TRANSACTIONS				59.37

Risk weighted on-balance sheet assets covered by credit risk mitigants were based on exposures with collateralized transactions as well as guarantees by the Philippine National Government.

Third-party credit assessments were based on the ratings by Standard & Poor's, Moody's Investors Service, Fitch Ratings, and Philippine Rating Services Corp. on exposures to sovereigns, multilateral development banks, local government units, and government-owned and- controlled corporations.

No MPI exposure has been covered nor protected by credit derivatives. Likewise, MPI has no outstanding investment in Structured Products.

Market Risk

The Bank recognizes market risk as the adverse impact on earnings or capital, either immediate or over time, arising from changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates, commodity prices and equity prices. Market risk arises through the Bank's trading and balance sheet activities. The primary categories of market risk for the Bank are:

- i. Interest rate risk: arising from changes in prevailing interest rates and implied volatilities on interest rate options; and
- ii. Foreign exchange (FX) rate risk: arising from changes in exchange rates or risk arising from adverse movements/ mismatches in currencies.

The Risk Management Committee is the overall risk oversight body. Management of market, interest rate risk in the banking book (IRRBB), and liquidity risks is delegated to the Asset and Liability Management Committee (ALCO), who is responsible for the establishment of appropriate risk policies and limits, duly approved by the RMC; and execution of both strategic and tactical actions to maintain the exposure within the set tolerances and meet the risk and reward objectives of the Bank.

The Bank established the Market Risk Management Unit (MRM) to assist the BOD, RMC, ALCO in monitoring and managing the Bank's market risk exposures independently from the risk taking units. MRM also acts as business partners with Global Markets in the daily monitoring of its positions against approved risk measures. MRM's roles include the following:

- Ensure that the market, IRRBB, and liquidity risk management objectives of the Bank are achieved through the development, implementation, maintenance and enhancement of a comprehensive risk management process that comprises of qualitative and quantitative methodologies to identify, measure, control and monitor, among others, the following:
 - Market risks, which covers the risk of loss of earnings arising from changes in interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities
 - Liquidity risks, which covers liquidity crisis, funding structure, fund raising policies and strategies, diversification of funding sources, gap analysis and management
 - IRRBB, which covers the risk of loss in earnings or in economic value on banking book exposures arising from movements in the interest rates
- Provide support functions to the ALCO to facilitate informed strategic management decision making
- Provide consultative services and support functions to all relevant units within the Bank on matters pertaining to market and liquidity risks management and treasury operations
- Participate, in collaboration with other risk management units within the Bank on cross border risk management issues, to identify and mitigate various risk inherent in new Global Markets and core banking products prior to product introduction
- Perform regular independent supervision of Global Markets operations

A Market and Liquidity Risk Management (MLRM) Framework is in place to institutionalize vigilance and awareness of market and liquidity risk. MLRM provides the foundation for the optimization of risk returns, consistent management of market and liquidity risk and governance and risk oversight. All market risk policies are reviewed at least annually to ensure compliance with regulatory requirements and up to par with international best practices.

The Bank's traded market risk exposures are primarily from proprietary trading, client servicing and market making. Various risk measurement techniques are used by the Bank to monitor and manage market risk, such as Price-Value-of-a-Basis-Point (PV01), FX net open position (NOP), Value-at-Risk (VaR), and Stop Loss; IRRBB, on the other hand, is managed using Earnings-at-Risk (EaR) and Economic Value of Equity (EVE). In addition, a variety of stress testing techniques are performed to complement the reporting to Management.

Risk Measurement and Reporting

Interest rate risk (IRR)

The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows. Interest rate risk exposure is identified, measured, monitored and controlled through thresholds and procedures set by the Management to protect total net interest income from changes in market interest rates.

Trading: Price Value of 1 basis point (PV01)

PV01 measures the change in the value of the portfolio with 1 basis point increase in the yield curve, and is applicable for the trading portfolio. Thresholds are set annually to re-assess the Bank's risk appetite and strategy. The PV01 is computed and reported daily to Global Markets and monthly to ALCO.

Non-Trading: PV01

PV01 measures the change in the value of the portfolio with 1 basis point increase in the yield curve, and is applicable for the FVOCI portfolio.

Interest Rate Risk in the Banking Book (IRRBB): Earnings-at-Risk (EaR) and Economic Value of Equity (EVE)

IRRBB is defined as a Pillar 2 Risk under the BSP Risk-Weighted Capital Adequacy Framework (Basel II) – Internal Capital Adequacy Assessment Process (Pillar 2) guidelines. IRRBB is one of the Pillar 2 Risks that is quantifiable and reliably measured and quantified, with acceptable risk identification and measurement methodologies that have been reasonably tested and accepted within the industry.

The Bank emphasizes the importance of managing interest rate risk in the banking book as most of the balance sheet items of the Bank generate interest income and interest expense, which are indexed to interest rates. Volatility of earnings can pose a threat to the Bank's profitability while economic value provides a more comprehensive view of the potential long-term effects on the Bank's overall capital adequacy.

All policies, procedures and limits related to IRRBB are presented and deliberated in ALCO prior endorsement to RMC for final resolution. Balance sheet management is the prime responsibility of ALCO and key strategies on how to optimize assets and liabilities are discussed every meeting.

As a measurement tool, the Bank utilizes EaR to measure the sensitivity of the Bank's Net Interest Income (NII) due to a 100 basis points (bps) change in the underlying interest rates over a period of one year. EVE, on the other hand, shows the sensitivity of economic value of all Non Trading Book assets, liabilities, and interest rate related off-balance sheet products to interest rate movements over a longer horizon. Sensitivity of EVE seeks to evaluate the change in EVE due to changes in interest rate under an interest rate stress or shock scenario (based on 100 bps change in the market yield curve as well as the maximum of the worst impact on EVE across six standardized interest rate shock scenarios).

EaR and EVE are calculated based on the repricing gaps, or the difference between the amounts of rate sensitive assets and the amounts of 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, which may restrain the growth of its net income or result in a decline in net interest income. To reflect sensitivity of certain assets and liabilities, analysis of balances and its movement is done via application of behavioral assumptions to repricing cash flow.

The Bank monitors the exposure of financial assets and financial liabilities to fluctuations in interest rates by measuring the impact of interest rate movements on its interest income. This is done by modeling the impact of various changes in interest rates to the Bank's interest-related income and expenses. The EaR and EVE is computed and reported monthly to ALCO and bimonthly to RMC. Additionally, the Bank uses sensitivity analysis for stress testing of IRRBB. Parallel shock of 300 and 400 basis points are simulated and reported for perspective.

The Bank employed additional tools to aid in the management of IRRBB via the Risk Confidence (RCO) system. There are seven (7) scenarios for EVE which includes one (1) baseline scenario and six (6) shock scenarios, and three (3) scenarios for NII which includes one (1) baseline scenario and two (2) shock scenarios. The simulation considers assumptions on loan prepayment, deposits early redemption and CASA deposit behavior.

The impact on the Bank's equity represents impact on OCI and excludes the impact on transactions affecting the statements of income.

The sensitivity in the statements of income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and financial liabilities held at the reporting date. The sensitivity of equity is calculated by revaluing fixed-rate FVOCI investments at reporting date for the effects of the assumed changes in interest rates. The impact on the equity as stated above already excludes the impact on transactions affecting the statements of income.

Foreign Exchange Risk

Foreign exchange (FX) rate risk is the risk that the Bank may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position in a currency. Where the value of asset/inflow exposures in one currency is not equal to the value of liability/outflow exposures in that currency, it is described as an open position. It may be short (liabilities exceed assets) or long (assets exceed liabilities).

The Bank controls its FX exposures by transacting in permissible currencies. Management of FX risk is done via monitoring of FX NOP and PV01 for those FX positions in the trading book. If the level reaches the trigger point, action is required to bring back the level to within the normal range. FX risk is reviewed together with other risks to determine the Bank's overall risk profile.

Foreign currency-denominated liabilities generally consist of: (a) foreign currency-denominated deposits in the Bank's FCDU, (b) accounts maintained in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, and (c) foreign currency-denominated borrowings appearing in the regular books of the Bank.

Foreign currency-denominated deposits are generally used to fund the Bank's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency-denominated liabilities with the foreign currency-denominated assets held under the FCDU books.



Liquidity Risk

Liquidity risk is the risk that the Bank's financial condition or overall safety and soundness is adversely affected by an inability (or perceived inability) to meet its obligations and may result in the Bank incurring unacceptable losses. The Bank's obligations and the funding sources used to meet them, depend significantly on its business mix, its balance sheet structure and the cash flow profile of its on- and off-balance sheet obligations.

The Non-Trading Book Policy, which includes policies on liquidity risk management, is reviewed regularly and tabled to ALCO and RMC. The Bank's liquidity risk position is actively discussed and managed at the ALCO and RMC in line with the approved guidelines and policies.

The Bank, in line with the Maybank Group, has implemented leading practices as a foundation to manage and measure its liquidity risk exposure. The Bank uses a range of tools to monitor and control liquidity risk exposure such as liquidity gap, early warning signals/liquidity indicators and stress testing. The liquidity positions of the Bank are monitored regularly against the established policies, procedures and thresholds.

Management of Liquidity Risk

For day to day liquidity management, Global Markets will ensure sufficient funding to meet the Bank's intraday payment and settlement obligations on a timely basis. In addition, the process of managing liquidity risk includes:

Maintaining an adequate portfolio of high quality liquid assets as protection against any unforeseen interruption in cashflows;

- Maintaining a stable funding to support illiquid assets and business activities;
- Daily and monthly monitoring of liquidity ratios against internal and regulatory requirements;
- Monthly monitoring of gaps arising from mismatched maturity of assets and liabilities; and establishing behavioral assumptions for non-maturing balance sheet accounts;
- Monthly monitoring and managing of concentration ratios of deposits;
- Conducting monthly liquidity stress testing under various scenarios as part of prudent liquidity control;

- Maintaining a robust contingency funding plan that includes strategies, decision-making authorities, internal and external communication and courses of action to be taken under different liquidity crisis scenarios; and
- Conducting Contingency Funding Plan (CFP) testing to examine the effectiveness and robustness of the plans.

The Bank monitors its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) on a daily basis; joint management and monitoring are carried out by Global Markets and Group Finance. As of December 31, 2025, Bank-wide LCR and NSFR levels as reported to the BSP stood at 141.38% and 119.07% respectively.

Stress testing and Contingency Funding Plan

The Bank uses stress testing and scenario analysis to evaluate the impact of sudden stress events on liquidity position. Scenarios are based on hypothetical events that include bank specific crisis (idiosyncratic), general market crisis and combined scenarios. The stress test result provides an insight of the Bank's funding requirements during different levels of stress environments and is closely linked to the Bank's CFP, which provides a systemic approach in handling any unexpected liquidity disruptions. The plan encompasses strategies, decision-making authorities, internal and external communication and courses of action to be taken under different liquidity crisis scenarios.

The Bank also conducts CFP tests to ensure the effectiveness and operational feasibility of the CFP. The key aspects of the testing are to focus on the preparedness of key senior management and their respective alternate in handling a simulated distress funding situation. It also provides exposure and develops capabilities on how to respond to a liquidity crisis situation and operate effectively with each other under challenging circumstances.

Capital Treatment for Market Risk

MPI computes the minimum capital requirements against market risk as per BSP's Risk-Based Capital Adequacy Framework under the Standardized Approach. This is imperative as capital serves as a financial buffer to withstand any adverse market risk movements.

Market Risk (in Php Million)	FYE 2023		FYE 2024		FYE 2025		RWA	Total Capital Charge	Adjusted Capital Charge
	RWA	Total Capital Charge	RWA	Total Capital Charge	RWA	Total Capital Charge			
Interest Rate Exposures	143.85	11.51	143.85	11.51	143.85	11.51	189.50	15.16	18.95
Equity Exposures	-	-	-	-	-	-	-	-	-
Foreign Exposures	434.86	34.79	434.86	34.79	434.86	34.79	427.85	34.23	42.78
Options	-	-	-	-	-	-	-	-	-
Total	578.71	46.30	578.71	46.30	578.71	46.30	617.35	49.39	61.73

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This includes risks arising from a wide range of factors, such as human errors, system failures, fraud, legal issues, or disruptions from external events or third-party service failures.

Operational Risk Management Framework

Non-Financial Risk (NFR) is responsible for the formulation and implementation of the operational risk framework within MPI, which encompasses the operational risk management strategy and governance structure. Another key function is the development and implementation of operational risk management tools and methodologies to identify, measure, monitor and control operational risks.

Risk taking units (Strategic Business Unit) constitute an integral part of the operational risk management framework and are primarily responsible for the day-to-day management of operational risk.

Operational Risk Officers (ORO) have been appointed within the various Strategic Business Units (SBU) and are responsible for implementing and executing the operational risk management processes and tools. They are also responsible for the investigation of operational losses, monitoring and analysis of risk trends and staff training on operational risk management practices and governance.

Operational Risk Management Methodology and Tools

A variety of methodologies and tools have been implemented to effectively identify, assess, measure and report operational risk exposures on a timely basis, thereby serving as tools to facilitate decision-making and enhance the operational risk management process.

- **Risk & Control Self-Assessment (RCSA)**
RCSA is a process of continual assessment of inherent operational risks and controls to identify control gaps and to develop action plans to close the gaps. It is a risk profiling tool, which facilitates effective operational risk management for MPI.

SBU undertakes the RCSA exercise to give due focus in the review of business processes to enhance critical operations and controls, especially those assessed to be in the 'Caution' and 'Alert' categories.

The SBU level risk profiling exercises are compiled to establish MPI's Risk Profile on a semi-annual basis. The consolidated Risk Profile is presented to the Management Committee and Risk Management Committee.

- **Key Risk Indicators (KRIs)**
KRIs are embedded into critical processes to provide early warning signals of increasing risk and/or control failures by flagging up given frequencies of events as a mechanism for continuous risk assessment/monitoring.

SBUs monitor their risk exposures via KRIs and are required to develop specific and concrete action plans for those indicators that fall under 'Caution' and 'Alert.' NFR assists the SBU to develop and validate the KRIs to ensure appropriate thresholds are set.

- **Incident Management & Data Collection (IMDC)**
IMDC provides a platform of a structured and systematic process for SBU to identify and focus attention on operational 'hotspots'. This facilitates the establishment of a centralized database of consistent and standardized operational risk incident formation readily available for analysis of operational lapses to minimize the risk impact of future operational losses.

An enhanced system to monitor Non-Financial Risk has been fully implemented in the 4th quarter of 2025, to integrate modules on business continuity, operational risk management and outsourcing risks.

Operational Risk Mitigation and Control

Risk Mitigation tools and techniques are used to minimize risk to an acceptable level and are focused on:

- Faster resumption of business in the event of a disaster/ incident; and
- Decreasing the impact on the business, should it occur.

The control tools and techniques to mitigate operational risk are as follows:

Business Continuity Management (BCM)

Non-Financial Risk Unit is responsible for the formulation and implementation of a BCM Framework, which outlines a comprehensive and integrated approach to ensure business continuity and mitigate possible disruptions to MPI's critical business operations, and people safety in the event of disruptions and disasters.

Critical Business Functions (CBFs) are identified based on their potential financial and non-financial consequences on MPI in the event of a disruption. The interdependencies of these functions with other support units and third party providers, who are also required to have their own Business Continuity Plans, are assessed to ensure a comprehensive, end-to-end evaluation of risks. Maximum Tolerable Downtime, Recovery Time Objectives for systems supporting CBFs, and other key metrics are established to guide recovery prioritization and resource allocation.

Various events, incidents, and disasters, including pandemic and emerging risks, are evaluated for their potential impact on staff, buildings, services, and reputation. Based on this assessment, appropriate Business Continuity and Action Plans are prepared to facilitate a timely response, including necessary communication with all stakeholders. A crucial part of this process is the prompt escalation of critical issues and the activation of the corresponding response teams. Regular testing, involving realistic and challenging scenarios, is conducted to assess the effectiveness of resiliency plans and address any identified gaps.

In line with the BCM Framework requirements, Business Continuity Plans (BCP) were developed for all critical sectors. The BCP documents and exercises are reviewed on a yearly basis.

MPI also conducts an Enterprise Crisis Simulation Exercise (ECSE), involving main critical business functions, to demonstrate the level of readiness within the Bank to cope with any eventuality.

Operational Resiliency

MPI has established operational resilience framework to ensure the continuous delivery of critical business services through severe but plausible disruptions, thereby safeguarding customer trust, institutional soundness, and financial system stability. The framework adopts an integrated, service focused approach that encompasses the entire services lifecycle from inception and development to business-as-usual (BAU) operations and periodic testing. Centered on customer impact, the Framework is built around six core components: (1) governance and oversight (2) critical business services (3) service impact tolerance (4) service resilience assessment (5) scenario testing and (6) learning and continuous improvement.

- (1) Governance and oversight – establishing accountability and strategic direction
- (2) Critical business services – identifying critical services to ensure continuity
- (3) Service impact tolerance – defining acceptable disruptions thresholds
- (4) Service resilience assessment – evaluating vulnerabilities and improvement areas
- (5) Scenario testing – simulating disruptions to enhance preparedness
- (6) Learning and continuous improvement – adapting based on insights and evolving risks

Capital Treatment for Operational Risk

Operational Risk capital charge is calculated using The Standardized Approach (TSA) wherein business activities are mapped into eight business lines as prescribed by Basel II and BSP Risk-Based Capital Adequacy Framework.

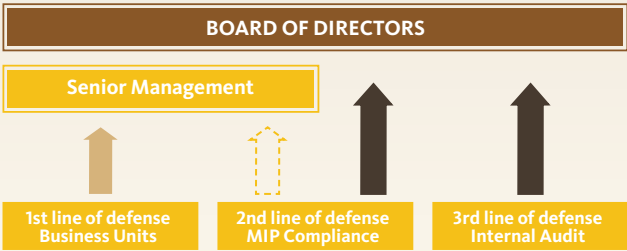
Operational Risk (in Php Million)	RWA	Total Capital Charge	Adjusted Capital Charge
FYE 2023	8,958.94	716.71	895.89
FYE 2024	8,380.23	670.42	838.02
FYE 2025	8,380.23	670.42	838.02

Compliance Risk

Compliance Risk refers to the risk of legal or regulatory sanctions, financial loss, or reputational damage that may adversely affect the Bank's franchise value. It arises from failure to comply with applicable laws, regulations, standards, and internal policies. This includes risks related to anti-money laundering, counter-terrorism financing, sanctions, internal conduct, ethics, and other critical regulatory requirements.

Compliance risk also encompasses reputational risk, non-compliance with statutory obligations, and weaknesses in compliance culture or conduct within financial services activities and key strategic areas.

The management of compliance risk is a shared responsibility across all levels of the Bank. The governance structure is supported by the Board of Directors, Senior Management, business units, and control functions. This structure ensures clear accountability, appropriate oversight, and effective segregation of duties across the three lines of defense.



Failure to comply with applicable laws and regulations may result in penalties imposed on both MPI and individual staff, disciplinary actions, and reputational damage. Additionally, non-compliance may impact employee performance evaluations, as determined by Senior Management and reported to the Board.

The compliance risk management approach is guided by six broad principles outlined below.

1. **Compliance Strategy.** Establish and maintain a Board-approved Compliance Risk Appetite Statement (RAS) aligned with business objectives and regularly reviewed.
2. **Governance and Oversight.** Implement a clear and robust governance structure with defined roles, responsibilities, and accountability across all levels.
3. **Compliance Culture.** Promote a strong compliance culture through ethical behavior, training, awareness, and alignment of incentives with prudent risk-taking.
4. **Frameworks and Procedures.** Develop and maintain comprehensive policies, procedures, and frameworks to ensure consistent and effective compliance practices.
5. **Compliance Function.** Ensure an independent compliance function with sufficient scope to provide advice, conduct risk assessments, monitor activities, and report on compliance risks.

6. **Resources and System Infrastructure.** Provide adequate resources, technology, and systems to support effective compliance risk management, including timely access to accurate and reliable information for decision-making.

Internal Compliance Officers and Deputy Internal Compliance Officers within the business units (first lines of defense) are appointed to drive their unit towards the sound management of business and compliance risks. They work closely with Compliance Management to identify, assess and monitor compliance risks and administer the consistent implementation MPI's Compliance Program, Anti-Money Laundering/Counter- Terrorist Financing and Sanctions Policy and Procedures and the Data Privacy Program.

Management of Money Laundering and Terrorism Financing

MPI is committed to the fight against money laundering and terrorism financing, and recognizes its obligation to prevent financial channels and products from being used by money launderers and terrorist organizations for illicit purposes. To fulfill this commitment, the officers and staff of MPI continue to show vigilance in detecting and preventing potential or identified money laundering or suspicious activities. MPI officers and staff conduct business in conformity with high ethical standards and fully comply with existing laws, rules and regulations.

As far as practicable and not inconsistent with local regulations, MPI also complies with the AML & CFT (Anti- Money Laundering & Counter Financing of Terrorism) regulations of the Bank Negara Malaysia, the regulator of MPI's parent company, the Malayan Banking Berhad (MBB).

MPI acknowledges sound AML & CFT risk management practices, as follows: (a) adequate and active Board and Senior Management oversight;(b) acceptable policies and procedures; (c) appropriate monitoring and MIS; and (d) comprehensive internal controls and audit.

The Bank further recognizes the management and defense of AML & CFT risk is premised on three lines of defense, as follows:

Risk-Taking Units Business and Other Support Units	Risk-Control Units Risk Management & Compliance	Independent Validation Internal Audit
▲	▲	▲
1st Line of Defense	2nd Line of Defense	3rd Line of Defense
▲	▲	▲
Management of Business and Compliance Risks		

MPI has a Board-approved AML/CFT Policy and Procedures that provide for and detail procedures in complying with and implementing the requirements of the Philippines' Anti-Money Laundering Act (Republic Act No. 9160, as amended) and its applicable implementing rules which cover, but are not limited to, the following: (a) customer identification process including acceptance policies and on-going monitoring processes, (b) record keeping and retention, (c) covered transaction reporting and (d) suspicious transaction reporting, including the adoption of a system capable of flagging, monitoring and reporting of suspicious transactions.

The Bank's AML/CFT Policy is revisited periodically to assess its effectiveness and revised accordingly, or as often as deemed necessary.

Management of Related Party Transactions

All Related Party Transactions (RPT), as defined by the Bangko Sentral ng Pilipinas, are subjected to the Bank's applicable standards for credit and non-credit-related items to ensure transparency and due diligence when performing tasks as is customary even for non-related parties. This is to ensure the interest of the Bank and its stakeholders are protected. In cases where such RPT goes beyond the set materiality thresholds and parameters, escalation procedures are in place to deliberate viability of such a transaction as management sees fit to endorse for higher approval.

Material RPTs require endorsement from a management-level committee, prior to being presented to the RPT Committee and Board of Directors for approval. Related Parties to a transaction are prohibited from direct or indirect involvement in the approval process, as is stipulated in the Bank's internal policy.

Transaction	Amount (in Php Millions)
DOSRI	203.65
Other Related Party	1,488.09
Sub-Total DOSRI & Other RPT	1,691.74
Internal Borrowings	8,821.48
Unsecured Subordinated Loans	1,313.42
Sub-Total Internal Borrowings	10,134.90
Total Material RPTs	11,826.64

Legal Risk

Legal risk is defined as a risk incurring actual or potential loss that arises due to flawed documentation, change in regulations/laws, new judicial decisions, locations of counterparties and choice of governing law, that threatens the Bank's capacity to consummate important transactions, enforce contractual agreements or implement specific strategies and activities.

The Bank's Legal Department is committed to support and service the business units of the Bank by providing professional legal advisory services in a timely, accurate and efficient manner to facilitate the execution of MPI's business objectives.

- Management of legal risks is guided by the Bank's Legal Risk Management Framework. MPI uses the Scorecard Approach to assess the impact of legal risk of the Bank's reputation. This reputational risk review by Legal Department assesses the following overall level of reputational risk:
- Litigation cases that may create negative impact on the bank, financially and reputation wise.
 - Ability of the bank to manage these litigation cases to protect the bank from financial losses and reputational risk.
 - Scope of assessment to include overseas branches.

The reputational risk scorecard assessment for Legal is being conducted on a quarterly basis to determine the amount of residual risk and capital charge that needs to be allocated if any.

Cyber Risk Management

The Bank has implemented a comprehensive Cyber Risk Management Framework that emphasizes a risk-based approach of the management of cyber risks. This is prioritized based on the severity and likelihood of potential risks. The framework addresses both Business and Technological aspects from and end-to-end perspective, and is structured into key layers focusing on Technology, People, and Processes.

This framework's Core Functions are designed to systematically organize information, facilitate informed risk management decisions, tackle emerging threats, and build upon previous improvements. These Core Functions are divided into five (5) essential activities:

- **Identify** – involves recognizing and understanding the cyber risks that could affect the Bank's operations. It includes asset management, business environment, governance, risk assessment, and risk management strategies. Activities under this function are foundational for the effective use of the framework.
- **Protect** – focuses on implementing safeguards to ensure continued operation of essential services. This covers access control, training and awareness, data security, and maintenance procedures. This also serves to limit or contain impact of a potential cybersecurity incident.
- **Detect** – involves the ability to promptly identify occurrence of a cybersecurity event. Includes activities akin to continuous monitoring, detection processes, and security testing.
- **Respond** – outlines the actions to be taken once a cybersecurity event is detected, and includes communication, analysis, mitigation, and improvements to the response strategy.
- **Recover** – involves restoration of services and capabilities that were impaired due to a cybersecurity incident. Includes recovery planning, improvements based on lessons learned, and communication during and after recovery efforts.

Together, these functions provide a strategic and comprehensive view of the entire lifecycle of cyber risk management, ensuring that all aspects of cybersecurity are addressed systematically, and effectively.

The Bank values a strong cyber-security culture to protect our digital assets and stakeholders' information. To achieve this, the Bank has set up a thorough Cyber Awareness Training program for its employees. These sessions keep everyone updated on the latest cyber threats, helping us stay agile and prepared. By promoting continuous learning, the Bank empowers its teams to be vigilant against cyber threats, bolstering our security. The Bank's commitment extends to an industry-wide advocacy, with its Chief Information Security Officer actively engaging in key events to share insights and contribute to global cybersecurity standards. These efforts ensure that the Bank is at the forefront of cybersecurity best practices, adapting to new challenges, and fostering a resilient, security-conscious culture.



SUSTAINABILITY AND CORPORATE RESPONSIBILITY

Maybank Philippines
2025 Annual Report



Overview

Maybank Philippines, Inc. (MPI) is a member of the Maybank Group, Malaysia's largest financial services group and a leading banking institution in ASEAN, with operations in 18 countries worldwide. As part of this regional network, Maybank Philippines operates within an integrated Group structure and aligns with Group wide strategies, governance standards, and sustainability priorities, while responding to the specific needs of the Philippine market.

Sustainability is embedded as a strategic priority at the Maybank Group level and is guided by a robust governance framework, including a Board endorsed ESG Policy, an ESG Risk Management Framework, sector specific sustainability and climate related positions, and the Group's No Deforestation, No New Peat and No Exploitation commitment. In 2025, the Group achieved all four Sustainability Commitments under its M25+ strategy, providing the overarching sustainability context for Maybank Philippines' operations.

Aligned with this Group direction, Maybank Philippines integrates environmental, social, and governance considerations into its business and risk management practices. The Bank views sustainability as fundamental to long term resilience and responsible growth and seeks to balance business objectives with its responsibilities to customers, communities, regulators, and other stakeholders, contributing to inclusive and sustainable development in the Philippines.

Our Sustainability Approach

As an organization, we remain committed to the fundamentals of our business while endeavoring to positively impact on the markets where we operate, complementing our Group M25+ aspiration of becoming a regional ESG leader.

Under the M25+ Strategy, we have made sustainability a core part of business, linking growth with responsibility to customers, communities and markets. As we enter its final year in 2025, the strategy continues to be delivered through five strategic thrusts, including a dedicated focus on driving leadership in sustainability.

Strengthened by the M25+ strategy, the Maybank Group Sustainability Framework introduced in 2021 and fully adopted by MPI in 2022, continues to guide the Bank in its approach towards sustainability matters. Under the Framework, our approach is driven by three pillars with the core aim of Humanising Financial Services. The three focus areas include: facilitating a just and responsible transition to a low-carbon economy, empowering our communities, and upholding good governance in our operations. We believe these three focus areas show our commitment towards building a sustainable and environmentally- friendly future for the communities where we operate.



Responsible Transition

Enabling transition to a low- carbon economy by balancing environmental and social imperatives with stakeholders' expectations.

- Supporting the Transition to a Low-Carbon Economy
- Developing Sustainability-Focused Products and Services
- Systemic Risk Management
- ESG Integration in Financial Analysis
- Engaging our People in Sustainability
- Business Ethics



Enabling Our Communities

Building community resilience across ASEAN and undertaking responsive action to promote economic development and social well-being.

- Empowering Communities
- Financial Inclusion
- Climate Resilience
- Transparency and Trust
- Diversity, Equity and Inclusion



Our House in Order & We Walk the Talk

Leading by example with good management practices and ensuring that Maybank's ESG strategy is based upon a strong foundation.

- Governance and Compliance
- Privacy
- Our Supply Chain
- Our Environmental Impact

Four specific commitments have been identified to help move the Group towards becoming the Sustainability Leader in Southeast Asia by 2025. These commitments represent Maybank's investment in people, processes and systems to meet expectations of our stakeholders that are aligned with the United Nations Sustainable Development Goals (UN SDG). Linked to the Group's overall business strategy, these commitments mean collaborating with and for our stakeholders to promote accessible financial services, establish trusted connections as well as maintain fairness and integrity.

Commitment 1: (with icon)
Mobilising RM80 Billion (~USD18 Billion) in Sustainable Finance by 2025

Commitment 2: (with icon)
Improve the Lives of 2 million Households Across ASEAN by 2025

Commitment 3: (with icon)
Carbon Neutral position for Scope 1 and 2 emissions by 2030 and Net Zero Carbon Equivalent position by 2050

Commitment 4: (with icon)
Living Sustainability Achieve 1 million Hours per annum on Sustainability & Delivering 1 thousand Significant SDG-Related Outcomes by 2025

With the conclusion of M25+, Maybank has launched the ROAR30 strategy to define the Group's next phase of growth and sustainability leadership. The Group has set a target to mobilize RM300 billion in sustainable finance by 2030, advance carbon neutrality by 2030 and achieve net zero by 2050. Maybank also aims to positively impact 3 million lives and double its social financing for individuals and SMEs. MPI will ensure its meaningful contribution toward the achievement of the Group's 2030 targets.

Cognizant of the risks that come with our pursuit of our sustainability commitments, the Bank intends to support or be associated with activities that align with our stated principles and sustainability commitments as we make a just transition to sustainable practices. As a first step towards embedding climate-related risks into the risk appetite framework, a qualitative ESG Risk Appetite Statement (RAS) was established and approved by the Board. The qualitative RAS articulates the approach towards managing ESG risk. MPI aims to introduce the quantitative RAS moving forward. Maybank's risk assessment process is guided by our ESG Risk Acceptance Criteria (RAC) for key high-ESG risk industries. These RACs are sector- specific financing requirements that incorporate ESG factors into the evaluation, decision-making, and the monitoring and review processes for credit risk assessment.

committee, oversees risk management strategies, frameworks, and policies covering material risks faced by the Bank, including ESG related risks, sustainability policies and frameworks, and compliance with applicable ESG and regulatory requirements.

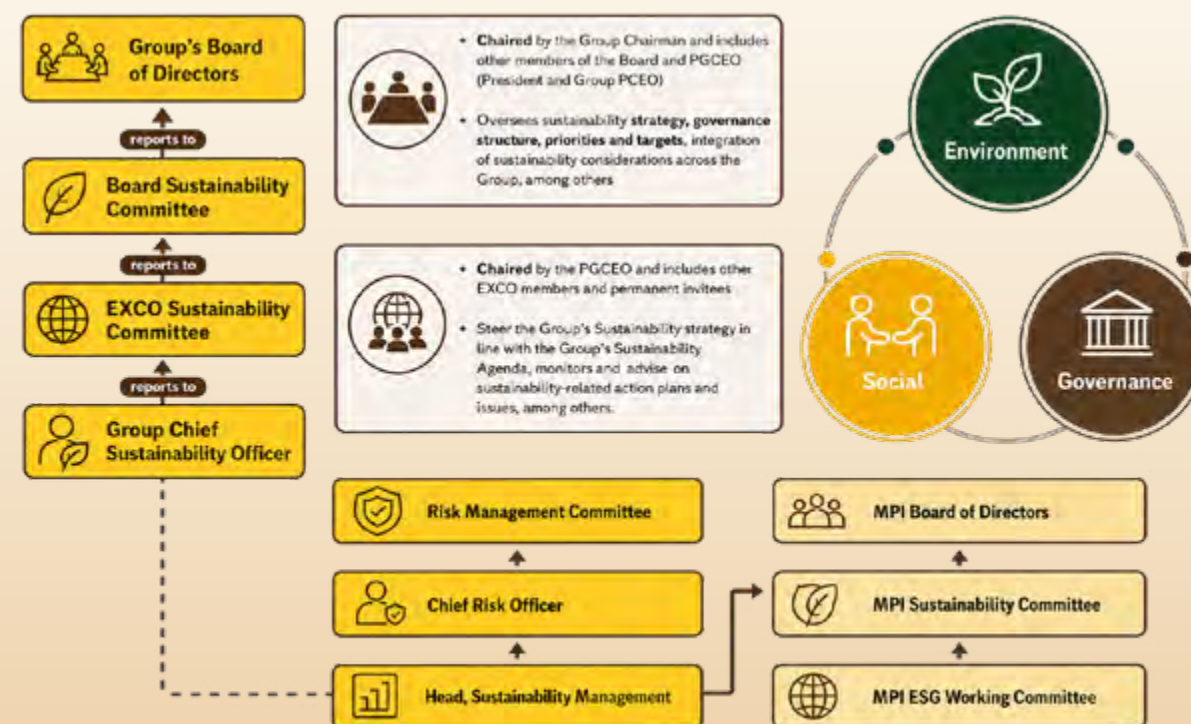
At the Management level, MPI has established a **Sustainability Committee (SUSCOM)**, chaired by the President and CEO, which convenes bi monthly to provide strategic direction, review sustainability performance, key initiatives, regulatory compliance, and Group level sustainability updates, with participation from the Group Sustainability Office. Material sustainability policies, frameworks, and significant compliance matters are elevated to the Board for approval, as appropriate.

Supporting SUSCOM, and consistent with Sustainability Management being embedded within the Risk Management function, a Management level ESG Working Group composed of representatives from key units meets monthly to coordinate the implementation and monitoring of sustainability commitments, manage environmental and social risk matters, and review material sustainability plans prior to escalation to SUSCOM.

Governance Structure and Management

Sustainability related risks are integrated into MPI's enterprise risk management framework and are subject to **Board level oversight**. The **Risk Management Committee**, a board-level

Sustainability management resides under the risk management department.



Sustainability Reporting

The Maybank Group reports in accordance with the Global Reporting Initiative (GRI) Standards and aligns its disclosures with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group has also commenced the phased adoption of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), leveraging the transition reliefs provided under the standards.

As a non-publicly listed entity, Maybank Philippines, Inc. (MPI) follows the applicable local disclosure requirements, whereby sustainability-related information is presented within the Sustainability Section of its Annual Report. Nonetheless, in alignment with the Group's direction, MPI has begun adopting a phased and proportionate approach to IFRS S1 and S2. Accordingly, MPI incorporates relevant elements of these standards in its disclosures where practicable, considering data availability, system readiness, and the evolving regulatory landscape.

MPI continues to adopt the Group Sustainable Product Framework (SPF) which is designed to help guide the development of Green, Social, Sustainable and Sustainability-linked products. The SPF is aligned with the international principles and standards such as:

- International Capital Markets Association's Green (2021). Social (2021) & Sustainability-linked (2020) Bond Principles
- ASEAN Green (2018). Social (2018). Sustainability (2018) Bonds, and Sustainability-linked (2023) Bond Standards
- Loan Market Association Green (2023), Social (2023), & Sustainability-linked Loan Principle
- Climate Bonds Initiative's Climate Bonds Standard (2023)

To ensure that Sustainability remains integrated in MPI's operations, the bank conducts regular review of its policies and processes to ensure its Sustainability principles and adherence to the remains relevant and updated said review is reported to the Sustainability Committee comprised of Senior Management

Environmental & Social (E&S) Risk Management System

ESG Risk management is fundamental to ensuring the long-term viability of our business and maintaining the trust of our stakeholders while creating positive sustainable impact. Considering this, the Bank takes proactive measures to mitigate and reduce our exposure to these risks by continuously enhancing our systems, by establishing the appropriate policies and ensuring that sufficient resources are allocated to risk management.

Maybank Group ESG Risk Management Framework (ESGRMF) is aimed at outlining Maybank's approach to managing ESG risks across our business and operations towards ESG financial service leadership. It is applicable to all business units within the Bank, across all activities including, but limited to, financing deposit taking, insurance and advisory services. The adoption of the ESG RM Framework also took into consideration Circulars and Guidelines related to BSP's Sustainable Finance Framework. Through the ESGRMF, we aim to set out the expectations and guiding principles that will enable us to:

- Integrate ESG risk considerations into the Group's internal operations, day-to-day activities, and across all products and services

- Embed ESG risk considerations into corporate strategy and decision-making
- Identify and understand material ESG risks within business activities and operations, and take appropriate action Encourage clients and business partners to adopt practices that manage ESG risks, in line with local and international standards and best practices
- Build employee capacity to understand and assess ESG risks and opportunities
- Cultivating an ESG risk-intelligent culture among Maybankers

Effective ESG risk management is vital in our journey towards contributing to a sustainable future. Mitigating ESG risks is not only crucial for us to manage climate change impacts, but it enables us to transition to more sustainable practices. Identifying the transition and physical risks of climate change in our business is crucial in enabling us to ensure environmental and climate resilience as well as to facilitate a just transition to a low-carbon economy.

Maybank Philippines Sustainability Journey



Sector	31-Dec-24 (Php'm)	% Share to L&A	31-Dec-25 (Php'm)	% share to L&A	
Real Estate	3,541	3.98%	2,474	3.46%	▼
Agriculture	1,471	1.65%	1,326	1.85%	▼
Power	2,042	2.30%	1,107	1.55%	▼
Oil & Gas	702	0.79%	698	0.98%	▼
Mining	-	-	2	-	▲
Total High ESG Risk Exposures	7,756	8.72%	5,607	7.84%	▼

The table above shows a decrease in four sectors in the Bank's exposure to identified High ESG sectors resulting in a lowered exposure of 7.84% compared to previous year's 8.72%. Exposures to High ESG risk are strictly being monitored and reported to the Senior Management and Risk Management Committee for information and mitigation as needed.

To ensure robust risk management, we have in place the Maybank Group ESG Risk Management Framework that guides us in upholding accountability besides providing an appropriate level of independence and delegation of tasks between parties. The said Maybank Group ESG Risk Management Framework has been localized and adopted by MPI in June 2022 to align with the practices of the Group and local regulators.

Additionally, our ESG risk management governance structure enables all parties to be part of the ESG risk management process, allowing a holistic approach in the Group's ESG risk management.

Powering Progress & Development

Mobilizing Capital Through Sustainable Financing

As a member of the Maybank Group, Maybank Philippines is in an ideal position to support and catalyze the growth of sustainable finance in the country. Our goal is to help accelerate the shift towards a low-carbon, sustainable and resilient economy.

We believe that achieving a just transition is the collective responsibility of all parties. While financial institutions play an enabling role in mobilizing capital, our efforts to assist clients in decarbonizing are contingent on the readiness of clients and the policy environment.

Affordable Housing

Maybank Philippines empowers low-income households and overseas Filipino workers by offering mortgage loans for affordable housing, promoting inclusive financial growth and long-term economic security. In 2025, Php57.89 million was disbursed to 28 individuals.



Affordable Mobility

Maybank Philippines supports overseas Filipino workers and lower-middle-income earners by providing car financing for vehicles priced below Php700,000. This year, 225 individuals were supported, with total financing of Php118.13 million.

Green Mobility

Maybank Philippines continues to support the country's transition to green mobility by providing financing solutions for electric vehicles (EVs) and hybrid electric vehicles (HEVs). As of December 2025, MPI financed a total of Php41.61million (RM2.79Mn) for EVs and hybrid vehicles expanding access to low-carbon transportation options for both individual and corporate clients. This is further strengthened through strategic partnerships with leading vehicle brands, broadening the range of sustainable mobility solutions available in the market.

Empowering Underserved Entrepreneurs

Maybank Philippines expanded its SME engagement through targeted capacity-building initiatives aligned with the country's clean energy and digital transformation priorities.

TikTok Philippines Partnership Webinar

Through Maybank Philippines' collaboration with TikTok Shop Philippines, 46 SMEs and 21 R.I.S.E. program graduates were equipped on digitalization and e-commerce readiness, such as leveraging the TikTok Shop platform to strengthen their digital presence and enhancing marketing strategies to accelerate sustainable business growth.

myimpact SME Panel

Maybank Philippines brought together SME leaders for a session on ESG trends followed by an introduction to Maybank myimpact SME. A key highlight was a panel discussion on "Overcoming Challenges in Sustainability for SMEs" featuring SME practitioners and sustainability experts.

Nakakalokal Advocacy Program

Maybank Philippines participated as a brand sponsor of Nakakalokal, an advocacy program by the Philstar Media Group that supports Filipino MSMEs through workshops, bazaars, networking and mentoring. As a brand partner, Maybank Philippines contributed to speaking engagements and direct SME outreach during selected program legs.

HERpower Program

As a flagship initiative under Maybank's M25+ Strategy, the HERpower Program continues to champion women's economic empowerment in the Philippines. By working with e-commerce marketplaces and grassroots organizations, HERpower provides not only access to capital but also the tools, knowledge, and community support that enable women-led enterprises to achieve long-term, sustainable growth.



Customer Excellence

Customer Excellence

In the Philippines, customer excellence is reinforced through strict adherence to BSP's Financial Consumer Protection guidelines. A monthly Consumer Assistance Mechanism (CAM) Council reviews complaint trends, customer pain points and service gaps to ensure timely resolution and continuous improvement across all channels.

Digital First Experience

In the Philippines' rapidly evolving digital landscape, MPI continues to enhance how we connect with and serve our customers. Guided by a digital-first mindset, we focus on delivering accessible, convenient, and personalized experiences, using technology to strengthen human connection. In 2025, we expanded our digital capabilities to provide more seamless, secure, and customer-centric banking services.

Agent Banking

To extend banking access to underserved and remote communities, Maybank Philippines partnered with GCash, enabling individuals from rural areas to open EzySave+ accounts directly via the GCash app, with 576,000 accounts opened since the program's launch in 2022.

M2U PH App Enhancements

Maybank Philippines enhanced its MaybankK2U PH (M2U) App to align with Group and industry UI/UX standards. The upgraded platform introduced new features such as Secure2u transaction authorization and deposit eStatement of Account (eSOA) downloads, further strengthening customer convenience and transaction security. Since its launch in 2024, the app has achieved over 138,000 downloads and 100,000 first-time logins.

EzyFlex & EzyDollar

The new M2U PH app introduced two key features: EzyFlex, which allows customers to open current accounts online, and EzyDollar, which enables customers to open and convert USD accounts within the app in real time. These enhancements drove 94% digital sales penetration, with 138,007 online accounts opened.

PESONet Integration

Maybank Philippines integrated PESONet (Philippine EFT System and Operations Network), enabling customers to perform same-day electronic fund transfers to other participating banks and financial institutions via the M2U PH app. In 2025, the Bank recorded 7,100 transactions totaling Php467 million, expanding the app's utility for everyday digital banking.



Digital Savings Expansion

Maybank Philippines partnered with GCash, a leading local mobile e-wallet platform with over 90 million users nationwide, enabling individuals from far-flung areas to open EzySave+ accounts directly through the GCash app. Complementing this, the Bank expanded its digital savings ecosystem through iSave, EzyFlex and EzyDollar accounts. This resulted in 442,000 active digital deposit customers, comprising 75,000 Maybank iSave accounts, 366,000 EzySave+ accounts, 790 EzyFlex accounts, and 250 EzyDollar accounts in production.

As part of our commitment to continuous learning, the following capacity-building programs have been implemented for our employees:

Leadership Excellence and Acceleration Program (LEAP)

Maybank Philippines introduced LEAP as a leadership development initiative to strengthen people management capability, accelerate career progression and build a stronger leadership pipeline within the Operations function. Delivered through collaboration between Human Capital and the Operations Sector, the program focuses on developing confident, values-driven leaders equipped to take on expanded responsibilities. Employees who graduated from LEAP were promoted to the next rank. Building on its initial success, LEAP will be enhanced into a continuing Step-Up Program for Operations. In the next phase, Human Capital will introduce an evolved LEAP framework centered on Lead, Empower, Adapt and Propel, reinforcing dynamic, people-centered leadership grounded in vision, integrity and execution.

TIGER Sales Academy

The TIGER Sales Academy was designed to support Maybank Philippines' workforce transformation by reskilling and redeploying Middle Office staff into customer-facing roles, while supporting their transition into the Front Office. Through the program, 44 employees successfully graduated and were repurposed as Sales Executives.

Empowering Our People

Capacity Building and Talent Development

We recognize that leadership starts from within. MPI is committed to continuously developing its people through targeted, expert-led capacity-building initiatives in collaboration with the Maybank Group and industry specialists. Covering sustainability as well as core business and leadership capabilities, these programs equip employees with the skills needed to perform effectively and support the Bank's long-term, responsible growth.



Building Sustainability Expertise

Maybank continues to advance its sustainability agenda by embedding ESG principles across its workforce through structured and continuous capacity-building initiatives. In 2025, the Bank implemented a suite of targeted programs designed to deepen technical knowledge, enhance practical application, and build leadership capabilities in sustainability across business units and the broader value chain.

Key Capacity-Building Initiatives (2025)

1. The Maybank Sustainability Practitioner Certification (MSPC)

The Maybank Sustainability Practitioner Certification (MSPC), developed in collaboration with the UN Global Compact Network Malaysia & Brunei, serves as the Group's flagship certification program. It provides a structured, tiered pathway to build sustainability competencies, practical application, and leadership capabilities across the organization.

In 2025, the program was rolled out in the Philippines as part of its regional expansion, with **84 Maybankers** trained, of which **13 were certified**, contributing to the Group's growing pool of sustainability practitioners.

2. Maybank Sustainability Series (MSS)

The Maybank Sustainability Series (MSS) is a Group-led platform delivering targeted sustainability learning interventions across key business segments. Under the Global Banking track, MPI implemented the **GB Shark Tank initiative**, where Relationship Managers (RMs), guided by Group Global Banking and SPg teams, developed innovative, sustainability-aligned client solutions anchored on the Group's Sustainability Product Framework, governance standards, and recognition criteria.

A total of **20 employees** participated in the GB Shark Tank initiative, strengthening the pipeline of sustainable finance solutions.

Complementing this, MSS also encompassed **sectoral upskilling and value chain training**, aimed at deepening sustainability capabilities across business units and external partners. These programs covered key areas such as **net zero operationalization, human rights, and sustainable procurement**, reinforcing the integration of responsible practices across operations and the broader value chain.

In 2025:

- **48 employees** were trained on Net Zero operationalization
- **36 employees and 47 suppliers** completed training on Human Rights Policy and Sustainable Procurement

3. MPI Sustainability Learning Series

As part of the Group's Sustainability Week in September 2025, MPI conducted its Sustainability Learning Series, focusing on **building resiliency and operational efficiency**. The program featured subject matter experts from the Department of Energy, Meralco, World Bank IFC, and the Green Building Council, providing practical insights on energy efficiency and solar adoption.

A total of **175 employees participated** through blended onsite and virtual sessions, enhancing workforce readiness to support sustainable and resilient operations.

4. External Sustainability Training

To further strengthen technical expertise and industry exposure, MPI supported employee participation in external training programs in collaboration with government and industry partners.

In 2025, **10 employees from Global Banking and the Risk Management Group participated in renewable energy forums conducted by the Department of Energy and industry experts**, enhancing their knowledge of renewable energy developments and strengthening the Bank's capacity to support clients in the transition to sustainable energy solutions.



On Employee Wellbeing

Maybank remains committed to promoting holistic employee well-being, recognizing that a healthy, engaged, and purpose-driven workforce is essential to long-term organizational success. Through initiatives such as the One Maybank Sportsfest and Wellness Engagements, the Maybank Philippines Health and Wellness Program, and sustainability culture-building efforts, the Bank fosters physical well-being, mental resilience, and a shared sense of purpose—strengthening employee engagement while reinforcing a culture of sustainability across the organization.

One Maybank Sportsfest and Wellness Engagements

MPI organized the One Maybank Sportsfest and a series of sports and wellness engagements throughout 2025 to promote physical wellbeing, teamwork, and employee connection through inclusive, high energy activities, complemented by structured sports tournaments, community runs, and wellness focused engagements later in the year, with 258 employees participating in the Sportsfest, 82 employees engaging in basketball and mixed volleyball tournaments, and 27 employees joining the Filipina CEO Run celebrating women leadership and empowerment.

Maybank Philippines Health and Wellness

MPI strengthened employee wellbeing and workforce capability through integrated health, wellness, and talent development initiatives. Its Health and Wellness program focused on preventive healthcare, early detection, and disease prevention by delivering medical services directly to employees, serving 373 employees through the Mobile Annual Physical Examination at the Maybank Corporate Offices and providing 148 flu and pneumonia vaccinations to employees and their immediate family members in partnership with an external healthcare provider. Workplace wellbeing was further supported through the Ergonomic and Health Wellness Program in the Philippines, featuring interactive wellness booths and physiotherapist-led talks to promote musculoskeletal health and reduce long-term health risks.

Sustainability Culture-Building Program

MPI's Living Sustainably Days in September and October 2025 focused on renewable energy, practical energy-saving habits and sustainable transport. "Closing the Loop", a two-day Sustainability Eco-Festival was also held with various booths promoting sustainability into everyday practice. Proceeds and unsold items were channeled towards supporting families affected by Typhoon Uwan. In total, 163 employees and clients were engaged across the energy-themed Living Sustainably activities, while Closing the Loop engaged 276 employees and raised Php35,001.20, supporting community relief efforts.

Enabling Our Communities & Society

Financial Literacy and Capacity Building

Mastering Budgeting
Maybank Philippines' IT Sector partnered with Operations to deliver targeted financial literacy support to underserved workers. The program focused on equipping janitorial and administrative staff with practical budgeting tools, including the 50/30/20 rule and zero-based budgeting, to strengthen day-to-day financial management and long-term goal setting. The sessions were supported by IT volunteer leaders and reinforced financial inclusion through savings challenges and account awareness. In total, three workshops were conducted, with 19 janitorial and administrative staff participating.

Digital Literacy Training for TVET Scholars
As part of Maybank's Green Lab Financial Literacy Campaign, Maybank Philippines delivered an Anti-Scam digital literacy training to Technical and Vocational Education and Training (TVET) scholars. The program aimed to strengthen online safety awareness while also assessing the school's computer lab capabilities. The initiative trained 28 TVET scholars and was featured in the November 2025 issue of IT Interaction Philippines Inc. under the theme "Eco-Innovation with AI: Transforming Technology for Sustainability."

Capacity Building for SMEs
In partnership with MCCI and the Department of Energy, 71 SMEs participated in capacity-building sessions. In addition, the Building Better – Green Building & Energy Efficiency program trained 175 MPI employees, strengthening internal capabilities in energy efficiency and green building practices.

Campus Caravan
As part of its commitment to expand its reach, Maybank Philippines launched the Campus Caravan, a financial literacy campaign for graduating university students that equips them with essential knowledge on financial responsibility, first job preparation, and sustainable living, reaching 414 students since its launch in April 2025.

Disaster Relief

Maybank-Kabalikat Social Welfare Fund (MSWF)
Through the Maybank-Kabalikat Social Welfare Fund (MSWF), employees of Maybank Philippines contribute monthly to a pooled fund, with the Bank providing matching contributions on a 1:1 basis. The fund provides urgent assistance to employees affected by natural disasters or severe calamities, helping them recover quickly and maintain financial stability during crisis situations. In 2025, medical assistance was delivered to 67 employees, amounting to a total of PHP799,138.43.

Relief Operations
Typhoon Kalmaegi, locally known in the Philippines as Typhoon Tino, affected Cebu in early November 2025, resulting in severe flooding, extensive infrastructure damage, and widespread service disruptions, including within the Maybank Women Eco-Weavers (MWEW) community. In Cebu alone, more than 1.1 million people were affected. In response, Maybank Foundation mobilized disaster relief assistance to support the rebuilding of affected homes, provide essential supplies such as food, water, and hygiene items, and facilitate early-stage relief efforts for impacted MWEW families and surrounding communities. A total of RM15,000 was disbursed to support the MWEW community in the Philippines.

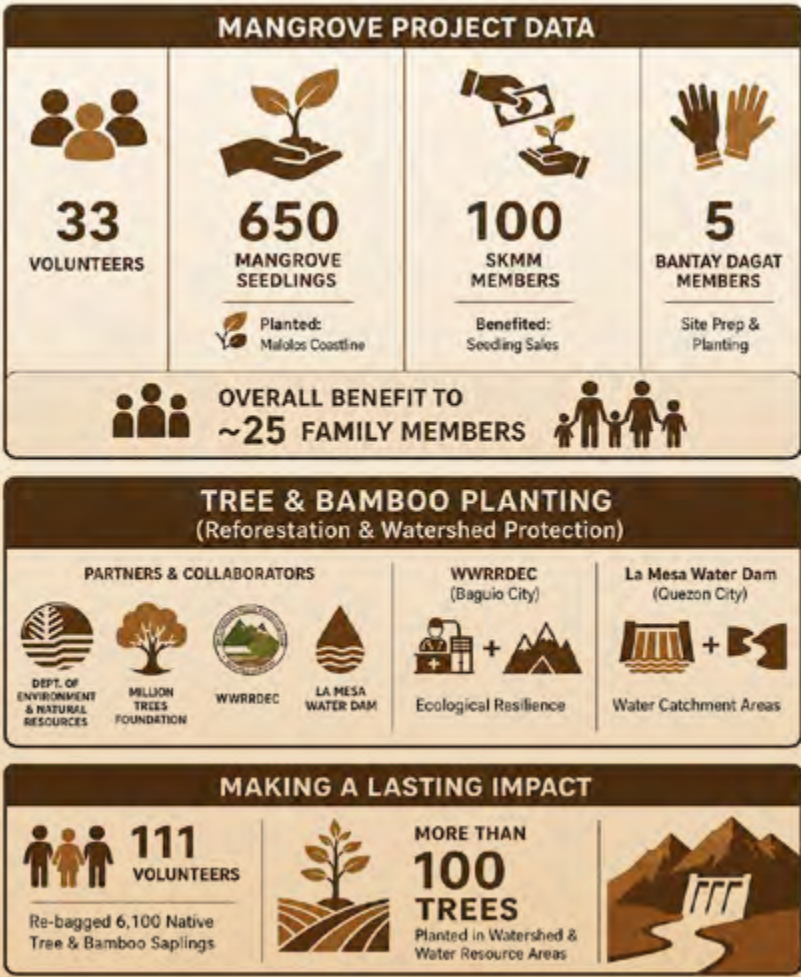
Community Empowerment and Environmental Initiatives

Mangrove Livelihood Restoration
The activity aims to strengthen climate resilience while supporting coastal livelihoods in the Philippines. In March 2025, Maybank Philippines collaborated with Fostering Education and Environment for Development Inc. (FEED) and its Living Legacy Group – One Child One Tree to combine ecological restoration with community upliftment. Through this initiative, Maybank Philippines volunteers worked alongside members of the Samahan ng Kapisanan ng mga Mangingisda ng Malolos (SKMM) and Bantay Dagat to rehabilitate degraded coastal areas, strengthening ecosystem resilience while creating short-term employment opportunities for fishing-dependent families. The initiative engaged 33 volunteers, led to the planting of



650 mangrove seedlings along the Malolos coastline, benefited 100 SKMM members through the sale of mangrove seedlings, and involved 5 Bantay Dagat members in site preparation and planting, benefiting around 25 family members.

Tree and Bamboo Planting Initiatives
As part of Maybank Philippines' climate action and ecosystem protection efforts, employee volunteers across multiple functions were mobilized to support reforestation and watershed protection initiatives. Conducted in collaboration with the Department of Environment and Natural Resources (DENR) and the Million Trees Foundation, the activities focused on strengthening ecological resilience in critical water catchment areas near the Watershed and Water Resources Research Development and Extension Center (WWRDEC) in Baguio City and the La Mesa Water Dam in Quezon City. Through these initiatives, 111 volunteers re-bagged nearly 6,100 native tree and bamboo saplings, while more than 100 trees were planted in watershed and water resource areas.



Demonstrating Corporate Resilience

Data Privacy

Maybank Philippines strengthened its privacy and cybersecurity posture to meet evolving regulatory expectations under the Data Privacy Act of 2012 and Bangko Sentral ng Pilipinas (BSP) guidelines. In 2025, the Bank enhanced information security risk assessments, improved encryption protocols for information, and increased oversight of third-party partners. Preventive measures were also implemented to reduce the risk of data misuse or loss, while aligning with ISO/IEC 27001:2022 and National Institute of Standards and Technology (NIST) controls to support strong governance and responsible data management.

Fostering a Culture of Security

MPI fostered a strong culture of data privacy and cybersecurity by strengthening employee awareness, accountability, and readiness to

respond to evolving digital risks. In 2025, continuous learning initiatives were implemented to reinforce secure behaviors through targeted communication and practical cybersecurity awareness programs, ensuring employees remain vigilant and informed. As part of the mandatory cybersecurity awareness e-learning, 96% of Maybank Philippines employees completed the course, demonstrating strong local commitment to safeguarding customer data and the Bank's digital assets.

Disaster Resiliency Training for Employees

MPI, in partnership with PHIVOLCS, SM Supermalls, and emergency medical experts, conducted a Disaster Resiliency Training at the Maybank Synergy Center, attended by employees across all levels, including the Management Team. The program covered key climate and geophysical hazards, the use of the HazardHunterPH tool, and practical life-saving techniques during emergencies—strengthening employee preparedness and organizational resilience.



Strategy

Memberships and Association

Maybank Philippines actively contributed to the development of sustainable finance and sustainability reporting in the country through participation in key national and international platforms.

The Bank took part in the “Mobilising Climate Finance into the Philippines” discussions convened by the Green Finance Institute and the UK Foreign, Commonwealth & Development Office, facilitated through the British Embassy Manila, where it shared insights on barriers to mobilizing private capital and potential interventions in the transport and waste sectors.

In parallel, Maybank Philippines participated as a member of the Bangko Sentral ng Pilipinas (BSP) Sustainable Finance Taxonomy Guidelines Technical Working Group, engaging in discussions and review sessions and providing comments on the exposure draft of the Philippines Sustainable Taxonomy Guidelines from a financial institution perspective. The Bank also contributed to the work of the Philippine Sustainability Reporting Committee (PSRC) by participating in discussions and reviews and providing feedback on the exposure draft of the Philippine sustainability reporting guidelines as part of the industry consultative panel.

Fuelling Change Forum

Maybank Philippines collaborated with the Malaysian Chambers of Commerce and Industry and the Department of Energy to support SME awareness and readiness for the clean-energy transition through targeted capacity-building initiatives. In 2025, the Bank conducted the Fuelling Change Forum, bringing together 71 SMEs to explore renewable energy opportunities and transition pathways towards low-carbon business models.





Driving Environmental Stewardship

In Maybank Philippines, environmental initiatives carried out include converting air conditioning units (ACU) to inverter types and upgrading light fixtures and signages to LED. In 2023, MPI converted 62 ACUs to inverters and organized an expanded Earth Hour at Maybank Corporate Center, during which all lights were automatically turned off for one hour at exactly noon. In 2024, MPI completed the transition of 64 lighting and 63 signages to LED lighting and converted 379 physical servers to virtual servers. These efforts are part of its infrastructure improvement and IT modernization activities, resulting in a reduction of 490 tCO₂e, based on a 2019 baseline data of 2,802 tCO₂e.

Promoting Low-Emission Employee Commuting

Maybank Philippines launched a strategic partnership with Grab Philippines to optimize business travel, reduce fuel consumption and minimize the number of in-house vehicles used. The platform's adoption grew significantly across various sectors of the bank, demonstrating how leveraging technology partnerships can drive both cost efficiency and sustainability.

GHG Emissions (Scope 1 & 2)

Maybank Philippines continued to reduce its operational greenhouse gas (GHG) emissions across Scope 1 and Scope 2 through sustained energy-efficiency and emissions-management efforts. Net Scope 1 and 2 emissions declined from 3,330 tCO₂e in 2019 to 2,799 tCO₂e in 2024, and further to 2,644 tCO₂e in 2025, reflecting consistent progress over time.

Modified Earth Hour

Maybank Corporate Centers continues its modified Earth Hour where it turns off general lighting from 12nn–1pm, further increasing power savings and reducing carbon emissions.

International Coastal Clean-up

MPI continues to participate in the biggest coastal cleanup drive organized by SM Group. 85 Maybank volunteers participated in removing 232 kg of waste.

Waste Management

Maybank Philippines implemented waste management initiatives focused on recycling, responsible disposal, and circularity across its operations. In 2025, the Bank partnered with an Environment Management Bureau-certified IT asset recycling provider and successfully turned over 2,473 kg of obsolete IT assets for proper recycling. To strengthen waste reduction practices, Maybank Philippines standardized recyclable waste segregation across all floors of the Maybank Corporate Centre and branches by deploying labelled waste bins in line with the Philippine Solid Waste Management Act. The Bank also segregated recyclable plastics at the Maybank Corporate Centre and handed over collected materials to the building administrator for responsible disposal. In addition, accumulated recyclable plastics were donated to Coca-Cola Philippines in April 2025 under a recycling exchange program.

Maybank Philippines Digitalization Efforts

In line with the Lite Agile approach, Maybank Philippines has continuously reviewed and enhanced its key processes with customer touch-points and stringent documentary controls. Key initiatives to reduce paper consumption include sending loan documents and SWIFT cable copies via email instead of courier, converting deal tickets into digital records stored in shared folders, and eliminating the routine printing of remittance transaction receipts by archiving reports electronically, with only minimal printing retained for control evidence. These initiatives collectively reduced reliance on physical documentation while improving efficiency. In parallel, the Information Risk Management Framework was reviewed to refine document retention requirements based on regulatory needs, enabling a significant transition from physical document warehousing to digital archiving.

Water Consumption Performance

Maybank Philippines continued to manage water use responsibly, recording a further reduction in overall water consumption in 2025. Water use decreased from 21,263 m³ in 2024 to 20,804 m³ in 2025, reflecting the positive impact of ongoing water-efficiency measures across the Bank's premises. This improvement demonstrates Maybank Philippines' sustained efforts to use water more efficiently in day-to-day operations and to minimize its environmental footprint.

Corporate Social Responsibility

Beyond charitable giving, Maybank Philippines is committed to giving back to the community through strategic collaborations, volunteerism efforts and targeted social investments, with our initiatives being purposely relevant, impactful and rewarding to our chosen beneficiaries in the long-term. Our actions are anchored on our mission Humanizing Financial Services, which is all about doing things right, leaving no one behind and serving as a force for good. Our people are at the heart of what we do, and our actions are guided by our T.I.G.E.R. core values.

The MPI Senior Management, convened as the MPI Sustainability Committee (SusCom), have joint oversight over the Bank's corporate responsibility programs and initiatives, including Maybank Foundation flagship programs being rolled-out in the country. Management and administration of these activities are under the responsibility of Corporate Affairs, who likewise co-champions Cahaya Kasih employee volunteerism programs of the Bank, in partnership with Human Capital.

Maybank Foundation

Maybank Foundation, an ASEAN accredited entity, is the main vehicle for corporate responsibility across the Maybank Group. The Foundation's mandate is to create positive, long-term impact in communities in the markets where Maybank operates. It strives to identify programmes that will have the most tangible and sustainable results.

Maybank Foundation programmes are aligned to three consolidated pillars, namely Empowering Education, Community Empowerment and Environmental Diversity; and designed to be regional, scalable and target-driven.

In the Philippines, we strongly champion R.I.S.E. (Reach Independence and Sustainable Entrepreneurship) and Cashville Kidz, two flagship Maybank Foundation programs that advocate financial inclusion and literacy. Maybank Women Eco weavers Program. Through these programs, we have maintained collaborative partnerships with the Department of Education, National Council on Disability Affairs, and the Bangko Sentral ng Pilipinas.

We have also remained focused on delivering digitized products and services for safe and convenient banking, with products positioned to reach out to the unbanked and the underserved, namely the all-digital iSave and EazySave accounts, as well as the R.I.S.E. savings account exclusive to R.I.S.E. graduates.

R.I.S.E. (Reach Independence And Sustainable Entrepreneurship)

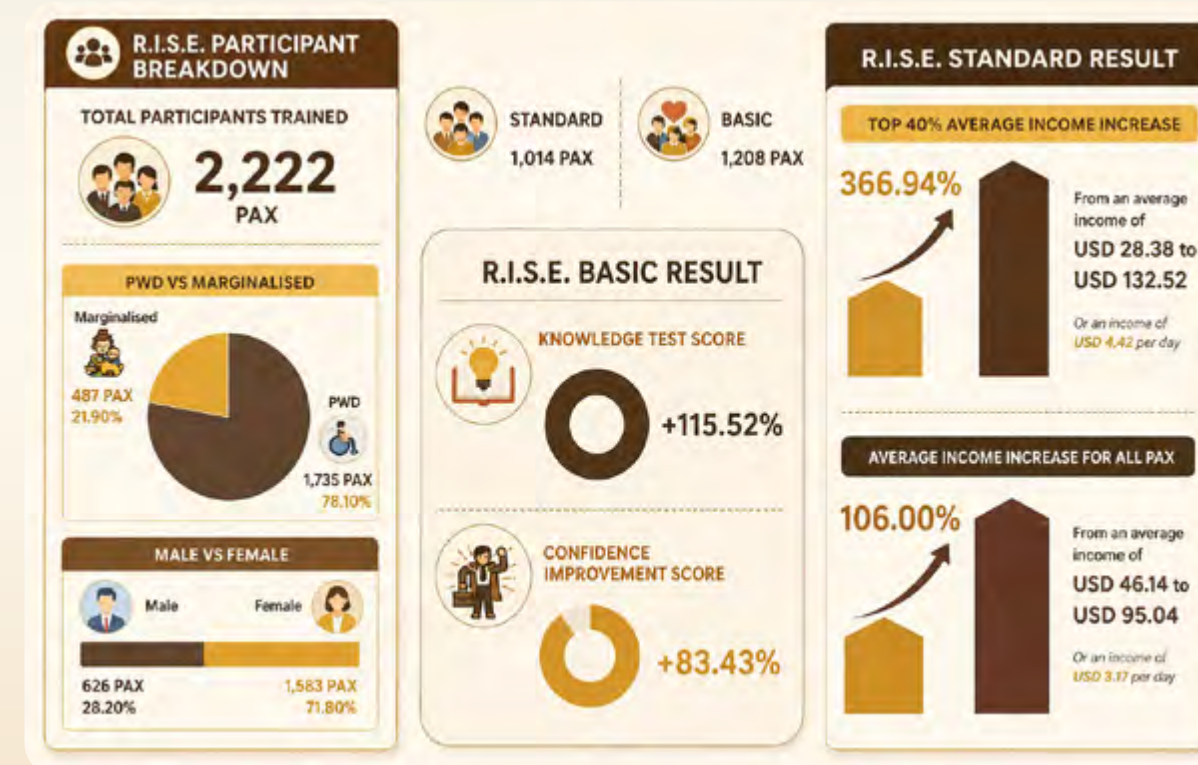
The R.I.S.E. Programme is a unique economic empowerment programme that seeks to provide real and tangible support for disadvantaged communities, with a special focus on persons with disabilities (PWDs).

The R.I.S.E. Programme is one of the flagship programmes funded by Maybank Foundation, and is implemented by People Systems Consultancy Sdn Bhd (PSC). It builds financial inclusion and intelligence across persons with disabilities and marginalized communities.

Piloted in the Philippines in 2017, the R.I.S.E. programme has trained a total of **13,125** participants, 76.84% of which (or **10,085 individuals**) are persons with disabilities, with an average income increase of **156.20%** for all participants trained. In 2025 alone, a total of 2,222 persons have been trained.

R.I.S.E. training sessions have since adapted both online and face-to-face training modality and has expanded to Luzon, Metro Manila, Visayas and Mindanao. Representatives of Maybank branches in the Philippines are invited to conduct a short briefing about Maybank and its product and services every R.I.S.E. training. The briefing session on financial education and opening a Maybank savings account is usually scheduled on the last day of training.

R.I.S.E. 2.0 Philippines FY 2025

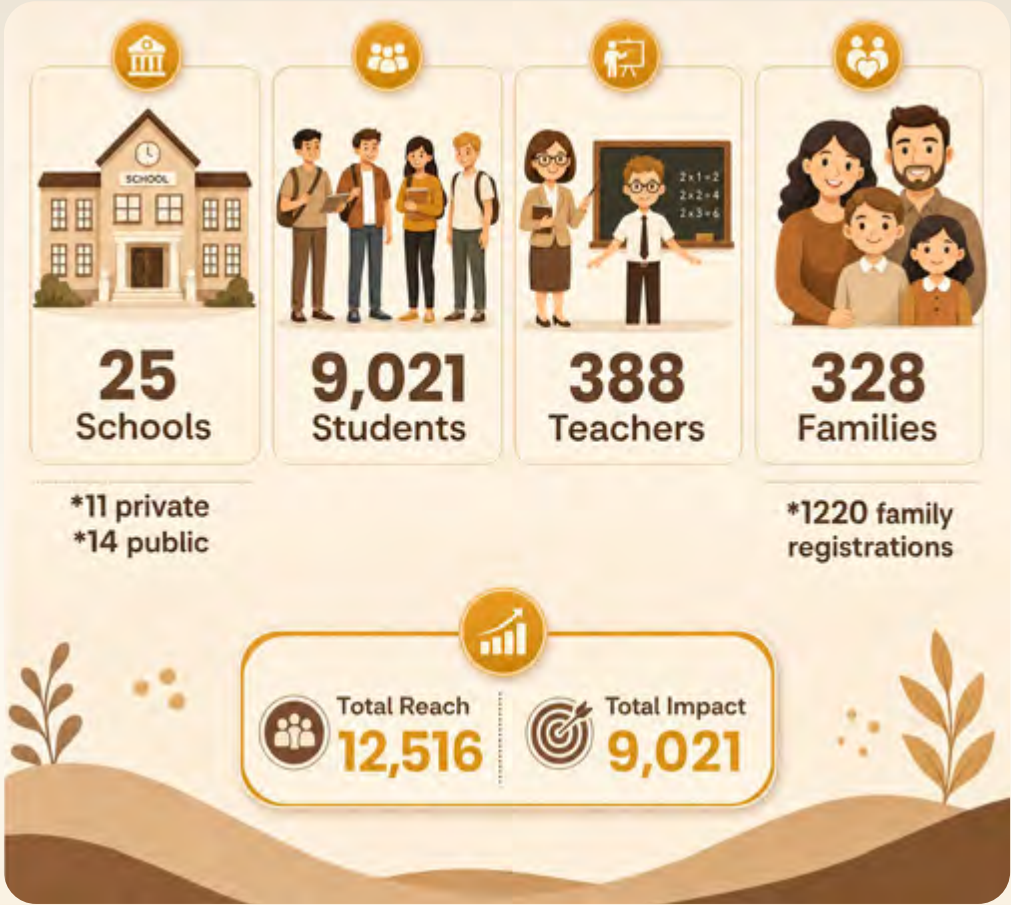


Figures are updated as of December 2025, mentoring is still ongoing.

Key Features



Cashville Kidz 2025



Cashville Kidz

Cashville Kidz (CVK) is an exciting, innovative and award-winning financial literacy animated series of 8 episodes per season, with each episode focusing on a specific financial lesson, designed to teach young children aged 9 - 12 years about the importance of money and financial management to be financially savvy.

A flagship programme of the Maybank Foundation, CashVille Kidz is developed in partnership with MoneyTree Asia Pacific Sdn Bhd.

CashVille Kidz was piloted in the Philippines in 2019, initially focusing on schools within the National Capital Region. In the period 2020-2021, CVK successfully transitioned to virtual implementation of the program, leading to public schools joining the initiative for the first time. The program broadened its educational scope by launching the Family Budgeting Program in 2022. It was also the year when the 1st Regional

Maybank Financial Education Excellence Awards was held in Malaysia, honoring the Best Schools, Best Educators, Best Students and Best Families from Malaysia, Cambodia, Vietnam and the Philippines.

CashVille Kidz has impacted **60,516 students**, covering more than **46 private and 209 schools** and has trained **1,088 teachers** in **15 cities** NCR and Calabarzon since then. In 2025 alone: CVK reached **12,516 students** in **25 (11 private and 14 public) schools** – total impact **9,021 students** – with **388 teachers** trained and **1220 families** participated in the family budget programme.

CashVille Kidz is currently conducted in 7 countries across the region namely Malaysia, Cambodia, Philippines, Indonesia, Singapore, Vietnam and Myanmar, and is endorsed by various key stakeholders across Southeast Asia.

Cahaya Kasih 2025 Impact Chart



Cahaya Kasih Employee Volunteerism Program

Cahay Kasih is Maybank's holistic employee volunteering programme, mobilising our people as agents of change to create sustainable and meaningful impact in the communities we serve.

Since its launch in 2006, Cahaya Kasih has grown to be a major regional volunteer programme. Employees are given the option to choose a cause or project that is consistent with the pillars of Maybank Foundation and that supports a long-term relationship with all stakeholders.

Through Cahaya Kasih, Maybankers are empowered to be at the heart of their communities, and to put their heart into everything they do.

Global CR Day 2025

Global CR Day is Maybank's annual Group-wide initiative that mobilises Maybankers to deliver coordinated and impactful contributions to our communities.

For this year, Maybankers in the Philippines organise themselves into Volunteer Teams (VT) and engage in pocket activities anchored on any of the following themes:

Education. Financial literacy sessions for inclusion and responsible handling of money. Best if iSave account can be opened whenever applicable!

Suggested activities: financial literacy to elementary-level school children, youths, marginalized groups or targeted communities.

Community Empowerment. Activities that help uplift or improve well-being, address gaps and reduce poverty or dependencies on dole-outs.

Suggested activities: capacity-building workshops (skills or tech), feeding program in coordination with local barangay or parish, health & wellness

Environment. Initiatives that support a clean and sustainable environment, leveraging on low-carbon economy practices. Suggested activities: mangrove tree planting, coastal clean-up, street repainting, waste segregation and recycling

Maybank Performing Arts Theater

The Maybank Performing Arts Theater (MPAT), located at the BGC Arts Center in the Philippines, stands as a premier venue for artistic and educational programmes. Maybank's commitment began in 2013 with a USD1.0 million contribution to the Bonifacio Arts Foundation, Inc., supporting the theater's construction and naming rights since its 2016 opening.

MPAT remains a key venue for flagship programs such as CashVille Kidz (2019), R.I.S.E. 2.0 (2019), and the CashVille Kidz Regional Financial Education Excellence Awards (2024). This enduring partnership highlights Maybank's unified efforts across its group to foster the arts, education, and community enrichment.



FINANCIAL STATEMENTS

Maybank Philippines
2025 Annual Report

INDEPENDENT AUDITOR’S REPORT

The Stockholders and the Board of Directors
Maybank Philippines, Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Maybank Philippines, Incorporated (the Bank) 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 the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended 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 in 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.

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 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 33 and Revenue Regulations 15-2010 in Note 34 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Maybank Philippines, Incorporated. 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

April 14, 2026

MAYBANK PHILIPPINES, INCORPORATED
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Cash and Other Cash Items	₱2,183,044,358	₱1,956,185,744
Due from Bangko Sentral ng Pilipinas (Notes 6 and 13)	3,661,230,719	8,084,429,325
Due from Other Banks (Notes 6 and 28)	6,637,781,862	508,236,828
Interbank Loans Receivable (Note 6)	1,300,000,000	2,529,840,390
Financial Assets at Fair Value Through Profit or Loss (FVTPL) (Notes 5, 7, and 17)	753,327,526	2,521,808,282
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) (Notes 5 and 8)	10,688,437,219	14,322,875,783
Investment Securities at Amortized Cost (Notes 8 and 26)	11,003,671,362	14,136,999,954
Loans and Receivables (Note 9)	52,974,061,512	62,025,190,679
Property and Equipment (Note 10)	357,511,351	294,164,268
Right-of-Use Assets (Note 24)	711,109,264	634,319,519
Investment Properties (Note 11)	1,702,348,442	1,800,121,153
Deferred Tax Assets (Note 25)	828,964,012	1,006,121,158
Other Assets (Note 12)	651,395,631	876,903,774
TOTAL ASSETS	₱93,452,883,258	₱110,697,196,857
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities (Notes 13 and 28)		
Demand	₱24,700,279,482	₱24,544,060,368
Savings	25,672,478,140	19,708,866,423
Time	18,821,049,337	31,552,414,791
	69,193,806,959	75,805,341,582
Bills Payable (Notes 14 and 28)	8,818,500,000	14,808,320,000
Accrued Interest, Taxes and Other Expenses (Note 15)	939,446,310	827,178,597
Lease Liabilities (Note 24)	809,885,746	756,008,213
Financial Liabilities at Fair Value through Profit or Loss (FVTPL) (Notes 7 and 17)	19,217,312	163,409,014
Manager's Checks	293,789,384	709,259,872
Income Tax Payable	84,540,258	28,841,261
Subordinated Debt (Note 28)	1,290,392,290	—
Other Liabilities (Note 16)	1,991,379,194	5,630,618,073
	83,440,957,453	98,728,976,612
EQUITY		
Preferred Stock (Note 19)	232,539,724	232,539,724
Common Stock (Note 19)	10,313,344,184	10,313,344,184
Treasury Shares (Note 19)	(383,605)	(383,605)
Surplus Reserve (Note 19)	149,095,037	71,228,902
Surplus (Deficit)	(178,989,040)	1,735,658,344
Net Unrealized Losses on Financial Assets at Fair Value Through Other Comprehensive Income (Note 8)	(391,637,866)	(294,365,115)
Remeasurement Losses on Retirement Plan (Note 20)	(115,590,280)	(91,020,882)
Cumulative Translation Adjustment	3,547,651	1,218,693
	10,011,925,805	11,968,220,245
TOTAL LIABILITIES AND EQUITY	₱93,452,883,258	₱110,697,196,857

See accompanying Notes to Financial Statements.



MAYBANK PHILIPPINES, INCORPORATED
STATEMENTS OF INCOME (LOSS)

	Years Ended December 31	
	2025	2024
INTEREST INCOME ON		
Loans and receivables (Notes 9 and 28)	₱4,957,047,324	₱4,849,614,874
Financial assets at FVOCI and investment securities at amortized cost (Notes 8 and 17)	1,221,378,514	1,226,643,406
Interbank loans receivable and securities purchased under resale agreements (Note 6)	98,754,197	191,925,336
Due from Bangko Sentral ng Pilipinas and other banks (Notes 6 and 28)	86,990,135	128,186,479
Financial assets at FVTPL (Note 7)	48,096,627	68,678,663
	6,412,266,797	6,465,048,758
INTEREST EXPENSE ON		
Deposit liabilities (Notes 13 and 28)	1,780,630,396	2,219,275,578
Bills payable and other borrowings (Notes 14 and 28)	516,891,159	525,033,658
Lease liabilities (Note 24)	70,961,948	62,662,384
Financial liabilities at FVTPL (Notes 17 and 28)	1,926,351	3,421,425
Lease liabilities (Note 24)	70,961,948	62,662,384
	2,370,409,854	2,810,393,045
NET INTEREST INCOME	4,041,856,943	3,654,655,713
OTHER OPERATING INCOME		
Service charges, fees and commissions (Notes 22 and 28)	631,101,891	727,879,984
Trading gains - net (Note 21)	141,908,855	88,752,775
Gain (loss) on foreclosures	(125,565,767)	133,109,441
Gain (loss) on sale of properties (Note 10)	38,702,934	(39,732,914)
Foreign exchange gains - net	25,038,030	79,937,000
Miscellaneous (Note 23)	116,791,428	124,273,214
TOTAL OPERATING INCOME	4,869,834,314	4,768,875,213
OTHER OPERATING EXPENSES		
Compensation and fringe benefits (Notes 20 and 28)	1,863,662,515	1,892,135,856
Taxes and licenses	673,212,794	641,801,265
Depreciation and amortization (Notes 10, 11, and 12)	550,992,264	584,693,998
Information technology (Note 28)	358,455,061	296,678,700
Insurance	190,371,404	159,948,246
Security, messengerial and janitorial	183,845,441	165,301,591
Occupancy (Note 24)	113,156,022	134,885,093
Litigation and assets acquired (Note 11)	84,691,805	137,927,698
Management and other professional fees	46,987,219	50,611,656
Postage, telephone and telegrams	45,870,146	48,285,071
Traveling	20,004,236	22,727,139
Stationery and supplies used	19,589,129	21,445,376
Miscellaneous (Note 23)	583,234,487	641,260,215
TOTAL OPERATING EXPENSES	4,734,072,523	4,797,701,904
OPERATING PROFIT (LOSS) BEFORE PROVISIONS FOR IMPAIRMENT AND CREDIT LOSSES	135,761,791	(28,826,691)
PROVISION FOR IMPAIRMENT AND CREDIT LOSSES (Note 9)	1,484,094,006	476,024,640
OPERATING LOSS BEFORE INCOME TAX	(1,348,332,215)	(504,851,331)
PROVISION FOR INCOME TAX (Note 25)	488,449,034	467,922,319
NET LOSS	(₱1,836,781,249)	(₱972,773,650)

See accompanying Notes to Financial Statements.

MAYBANK PHILIPPINES, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Years Ended December 31	
	2025	2024
NET LOSS	(₱1,836,781,249)	(₱972,773,650)
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
Net change in unrealized losses on financial assets at fair value through other comprehensive income (Note 8)	(97,272,751)	(25,867,543)
Cumulative translation adjustment	2,328,958	2,243,340
<i>Item that will not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement gains (losses) on retirement plan (Note 20)	(24,569,398)	14,787,518
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(119,513,191)	(8,836,685)
TOTAL COMPREHENSIVE LOSS	(₱1,956,294,440)	(₱981,610,335)

See accompanying Notes to Financial Statements.

MAYBANK PHILIPPINES, INCORPORATED

STATEMENTS OF CHANGES IN EQUITY

	Preferred Stock				Common Stock	Treasury Shares	Surplus Reserve	Surplus	Net Unrealized Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement Losses on Retirement Plan	Cumulative Translation Adjustment	Total
	"A"	"B"	"C"	Subtotal	(Note 19)	(Note 19)	(Note 19)	(Deficit)	(Note 7)	(Note 20)		
Balances at January 1, 2025	₱4,440,000	₱8,880,000	₱219,219,724	₱232,539,724	₱10,313,344,184	(₱383,605)	₱71,228,902	₱1,735,658,344	(₱294,365,115)	(₱91,020,882)	₱1,218,693	₱11,968,220,245
Net loss	–	–	–	–	–	–	–	(1,836,781,249)	–	–	–	(1,836,781,249)
Other comprehensive income (loss)	–	–	–	–	–	–	–	–	(97,272,751)	(24,569,398)	2,328,958	(119,513,191)
Total comprehensive income (loss)	–	–	–	–	–	–	–	(1,836,781,249)	(97,272,751)	(24,569,398)	2,328,958	(1,956,294,440)
Transfer to surplus reserve (Note 19)	–	–	–	–	–	–	77,866,135	(77,866,135)	–	–	–	–
Balances at December 31, 2025	₱4,440,000	₱8,880,000	₱219,219,724	₱232,539,724	₱10,313,344,184	(₱383,605)	₱149,095,037	(₱178,989,040)	(₱391,637,866)	(₱115,590,280)	₱3,547,651	₱10,011,925,805
Balances at January 1, 2024	₱4,440,000	₱8,880,000	₱219,219,724	₱232,539,724	₱10,313,344,184	(₱383,605)	₱68,715,134	₱2,710,945,762	(₱268,497,572)	(₱105,808,400)	(₱1,024,647)	₱12,949,830,580
Net loss	–	–	–	–	–	–	–	(972,773,650)	–	–	–	(972,773,650)
Other comprehensive income (loss)	–	–	–	–	–	–	–	–	(25,867,543)	14,787,518	2,243,340	(8,836,685)
Total comprehensive income (loss)	–	–	–	–	–	–	–	(972,773,650)	(25,867,543)	14,787,518	2,243,340	(981,610,335)
Transfer to surplus reserve	–	–	–	–	–	–	2,513,768	(2,513,768)	–	–	–	–
Balances at December 31, 2024	₱4,440,000	₱8,880,000	₱219,219,724	₱232,539,724	₱10,313,344,184	(₱383,605)	₱71,228,902	₱1,735,658,344	(₱294,365,115)	(₱91,020,882)	₱1,218,693	₱11,968,220,245

See accompanying Notes to Financial Statements.

MAYBANK PHILIPPINES, INCORPORATED

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P1,348,332,215)	(P504,851,331)
Adjustments for:		
Provision for impairment and credit losses (Notes 7, 8, 9, 11, 12 and 16)	1,484,094,006	476,024,640
Depreciation and amortization (Notes 10, 11, 12 and 24)	550,992,264	584,693,998
Amortization of premium/discount	(281,763,297)	(398,856,700)
Loss (gain) on foreclosure of investment properties and other properties acquired	125,565,767	(133,109,441)
Retirement expense (Note 20)	96,188,805	97,188,161
Interest expense on lease contracts (Note 24)	70,961,948	62,662,384
Realized trading gain on sale of financial assets at FVOCI (Note 21)	(53,990,714)	(28,165,162)
Net loss (gain) on sale of:		
Investment properties and other properties acquired	(37,818,927)	41,078,207
Property and equipment	(884,007)	(1,345,292)
Unrealized trading loss (Note 7)	8,697,225	15,049,798
Changes in operating assets and liabilities:		
Decreases (increases) in the amounts of:		
Financial assets at fair value through profit or loss	1,759,783,531	710,550,364
Loans and receivables	7,793,141,592	(8,391,607,844)
Other assets	(683,684,800)	(163,319,758)
Increases (decreases) in the amounts of:		
Deposit liabilities	(6,611,534,623)	1,448,697,019
Financial liabilities at fair value through profit or loss	(144,191,702)	80,271,955
Accrued interest, taxes and other expenses	102,660,003	(147,963,074)
Manager’s checks and outstanding acceptances	(415,470,488)	(277,437,620)
Other liabilities	(3,523,895,574)	(1,854,367,705)
Net cash used in operations	(1,109,481,206)	(8,384,807,401)
Retirement contribution (Note 20)	(96,746,639)	(97,188,161)
Income taxes paid	(255,592,890)	(332,371,793)
Net cash used in operating activities	(1,461,820,735)	(8,814,367,355)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at FVOCI	(47,957,916,215)	(73,921,122,659)
Financial assets at amortized cost	(15,647,290,362)	(17,166,040,090)
Property and equipment (Note 10)	(158,179,231)	(78,929,400)
Software costs (Note 12)	(4,998,980)	(29,920,255)
Proceeds from:		
Sale and maturities of financial assets at FVOCI	51,318,361,962	73,373,194,538
Maturities of financial assets at amortized cost	18,685,426,760	14,287,925,931
Disposals of investment properties and other properties acquired (Notes 11 and 12)	847,376,370	1,213,408,742
Disposals of property and equipment (Note 10)	22,175,624	1,122,686
Net cash provided (used) in investing activities	7,104,955,928	(2,320,360,507)

(Forward)



	Years Ended December 31	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	P1,671,562,740,000	P1,962,552,355,000
Settlement of bills payable	(1,677,552,560,000)	(1,961,697,275,000)
Availment of subordinated debt (Note 28)	1,300,000,000	–
Payment of lease liabilities (Note 24)	(252,279,499)	(241,524,070)
Net cash provided by (used in) financing activities	(4,942,099,499)	613,555,930
CUMULATIVE TRANSLATION ADJUSTMENT	2,328,958	2,243,340
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	703,364,652	(10,518,928,592)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	1,956,185,744	1,875,648,564
Due from Bangko Sentral ng Pilipinas (BSP)	8,084,429,325	10,043,340,662
Due from other banks	508,236,828	487,280,941
Interbank loans receivable	2,529,840,390	11,191,350,712
	13,078,692,287	23,597,620,879
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	2,183,044,358	1,956,185,744
Due from BSP	3,661,230,719	8,084,429,325
Due from other banks	6,637,781,862	508,236,828
Interbank loans receivable	1,300,000,000	2,529,840,390
	P13,782,056,939	P13,078,692,287
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest received	P6,476,413,562	P6,000,097,042
Interest paid	2,660,730,863	2,713,315,727

See accompanying Notes to Financial Statements.



MAYBANK PHILIPPINES, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Maybank Philippines, Incorporated (the Bank) is a commercial bank incorporated in the Philippines on January 3, 1953 to provide banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange and trust services. The Bank is 99.86% owned by Malayan Banking Berhad (the Parent Company), a public limited liability company incorporated and domiciled in Malaysia.

As of December 31, 2025 and 2024, the Bank operates through the following number of branches, branch-lite units and on-site and off-site automated teller machines (ATM):

	2025	2024
Branches	57	60
Branch-lite units	9	9
ATMs	77	69

On August 14, 2024, the Bank officially launched its Islamic banking operations after receiving approval from the Bangko Sentral ng Pilipinas (BSP) on July 4, 2024, becoming the first private commercial bank in the Philippines to offer Shariah-compliant financial services.

The Bank’s principal and registered place of business is Maybank Corporate Centre, 7th Avenue corner 28th Street, Bonifacio Global City, Taguig City.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial instruments at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The financial statements of the Bank reflect the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU).

The functional currency of the RBU and FCDU is Philippine peso (PHP) and United States dollar (US\$), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP. The financial statements of these units are combined after eliminating inter-unit accounts.

Amounts are presented to the nearest PHP unless otherwise stated.

Statement of Compliance

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

Presentation of Financial Statements

The Bank presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery (asset) or settlement (liability) within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 18.

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

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

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the Bank’s financial position or performance.

Amendments to PAS 21 – Lack of Exchangeability

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Foreign Currency Translation

Transactions and balances

The books of accounts of the RBU are maintained in PHP, those of the FCDU are maintained in US\$. For financial reporting purposes, the foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the end of the year (for assets and liabilities) and at the exchange rates prevailing at transaction dates (for income and expenses). Foreign exchange differences arising from foreign currency translation and revaluation of foreign currency-denominated assets and liabilities in the RBU, except for nonmonetary assets, are credited to or charged against operations in the year 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 at the BAP closing rate prevailing at the reporting date, and its income and expenses are translated at the exchange rates prevailing at transaction dates. Exchange differences arising on translation are taken directly to other comprehensive income (OCI) under ‘Cumulative translation adjustment’ in the statement of comprehensive income.

Fair Value Measurement

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 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. 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.

Cash and Cash Equivalents

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

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

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition

Regular way purchases and 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 it is delivered by the Bank. Any change in fair value of financial asset is recognized in the statement of income for financial assets at FVTPL and in OCI for assets classified as FVOCI investments. Deposits, amounts due to banks and customers and loans and receivables are recognized when cash is received by the Bank or advanced to the borrowers.

All financial assets and financial liabilities are recognized initially at fair value plus, in the case of financial assets and financial liabilities not at FVTPL, any directly attributable cost of acquisition or issue.

'Day 1' difference

Where the transaction price in a non-active market is different from the fair value based on 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. In cases where 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 of financial instruments

The Bank classifies its financial assets in the following categories: financial assets at FVTPL, financial assets at amortized cost, financial assets classified under FVOCI. The classification and measurement of financial instruments is driven by the financial asset's contractual cash flow characteristics and the Bank's business model for managing them. The Bank's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. 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 aggregated portfolios.

Financial liabilities are categorized into financial liabilities at FVTPL and other financial liabilities carried at amortized cost. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

Solely payments of principal and interest (SPPI) test

The Bank assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test or 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 (for example, if there are repayments of principal or amortization of the premium/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 judgement and considers relevant factors such as the currency in which the financial assets 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 risk or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Business model assessment

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 aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- 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 incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Bank's measurement categories are described below:

Financial assets at FVTPL

Debt instruments that do not meet the amortized cost or FVOCI criteria, or that meet the criteria, but the Bank has chosen to designate as at FVTPL at initial recognition, are measured at fair value through profit or loss.

Investments in equity instruments are classified as at FVTPL, unless the Bank designates an equity instrument that is not held for trading as at FVOCI at initial recognition.

The Bank's financial assets at FVTPL include derivative instruments and government securities where the fair value option at initial recognition is applied.

Financial assets at FVTPL are carried at fair value, with net changes in fair value recognized as 'Net trading gains' in the statement of income. Interest earned on these investments is reported as 'Interest income' in the statement of income.

Derivative instruments

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These includes interest rate swaps, foreign exchange swaps and forward foreign exchange contract. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative.

The Bank's derivative assets and derivatives are presented as 'Financial assets at FVTPL' and 'Financial liabilities at FVTPL', respectively, in the statement of financial position.

Financial assets at FVOCI - Debt investments

The Bank applies this category when both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

Subsequently, these are measured at fair value with gains or losses arising due to changes in fair value recognized in OCI under 'Net change in unrealized gains (losses) on financial assets at FVOCI'. Interest income and foreign exchange gains and losses are recognized in the statement of income in the same manner as for financial assets measured at amortized cost. When the Bank holds more than one investment in the same security, these are deemed to be disposed of on a first-in, first-out basis. On derecognition, cumulative gains or losses recognized in OCI are reclassified from OCI to the statement of income.

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 instruments at FVOCI. Designation at FVOCI is not permitted if the investment in equity instrument is held for trading.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, these are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from changes in fair value are recognized in OCI and accumulated in 'Net unrealized gains (losses) on financial assets at FVOCI' in the statement of financial position. When the asset is disposed of, the cumulative gain or loss previously recognized in 'Net change in unrealized gains (losses) on financial assets at FVOCI' is not reclassified to the statement of income, but is reclassified to 'Surplus'.

Dividends earned on these investments in equity instruments are recognized in the statement of income when the Bank's right to receive the dividends is established in accordance with PFRS 9, *Financial Instruments*, unless the dividends clearly represent recovery of a part of the cost of the

investment. Dividends earned are recognized in the statement of income, under ‘Miscellaneous income’.

Financial assets at amortized cost

This accounting policy relates to ‘Due from BSP’, ‘Due from other banks’, ‘Interbank loans receivable and securities purchased under resale agreements’, ‘Loans and receivables’ and financial investments under ‘Investment securities at amortized cost’.

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

- the asset is held within the Bank’s business model of “Hold” and are managed to realize cash flows by collecting contractual payments over the life of the instrument.
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value. The amortization is included in ‘Interest income’ in the statement of income. Gains or losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The expected credit losses (ECL) are recognized in the statement of income under ‘Provision for impairment and credit losses’. The effects of revaluation or foreign currency-denominated investments are recognized in the statement of income. Gains or losses arising from disposals of these instruments are included in ‘Trading gains - net’ in the statement of income.

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

Reclassification of financial instruments

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 FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; (ii) from FVTPL 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 to 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 FVTPL or equity financial assets at FVOCI at initial recognition is not permitted.

Financial liabilities

Financial liabilities are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

Issued financial instruments or their components, which are not designated at FVTPL, are classified under ‘Deposit liabilities’, ‘Bills payable’, ‘Subordinated debt’ and ‘Accrued interest, taxes and other expenses’, ‘Manager’s checks’ and ‘Other liabilities’ or other appropriate financial liability accounts where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial assets to the holder, or to satisfy the obligation other than by the

exchange of fixed amount of cash or another financial asset. The Bank capitalizes the costs incurred in connection with the issuance of debt securities (other than those designated at FVTPL) and amortizes over the terms of the instruments using the effective interest method. The Bank includes any unamortized debt issuance costs in the carrying value of the related debt instruments in the statement of financial position. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component at the date of issue.

Impairment of Financial Assets

The Bank recognizes allowance for ECL for all debt financial assets except those measured at FVTPL, together with loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment.

Staging assessment

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk (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 SICR since initial recognition. The Bank recognizes 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 impaired financial instruments.

Definition of “default” and “cure”

The Bank considers default to have occurred when:

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

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

Determination of SICR

The assessment of SICR is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The Bank performs quantitative and qualitative assessments to determine the SICR by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition.

ECL measurement

The Bank's ECL models were internally developed and independently validated to compute for the potential credit loss of each financial asset in adherence to PFRS 9. Models were developed for each product line and mostly followed a "rated-approach" where each account were given internal risk grades based on their most recent financial condition for corporates or based on behavioral factors for retail such as repayment performance and delinquency history. These risk grades are then translated to probabilities of default based on statistical models that utilized historical default experiences from the various internal risk grades.

There are three main components to measure ECL:

- Probability of default (PD) – an estimate of the likelihood that a borrower will default on its obligations over the next 12 months for Stage 1 or over the remaining life of the credit exposure for Stages 2 and 3.
- Loss-given default (LGD) – an estimate of the loss arising in case where default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from any collateral. It is estimated based on the internal loss experience and taking into consideration all direct and indirect costs involved in the loss recovery on the accounts. The valuation policies for collateral assigned to its financial assets are dependent on its lending arrangements.
- Exposure-at-default (EAD) – an estimate of the exposure at a future/default date taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdown on committed facilities and accrued interest from missed payments.

PFRS 9 does not distinguish between individual assessment and collective assessment. Therefore, the Bank continued to measure the impairment mainly on an individual transaction basis for financial assets that are deemed to be individually significant, and collectively assess for other financial assets.

Lifetime ECL is measured over the expected life of the asset. This is restricted to the maximum contractual life and takes into account expected prepayments, extensions, calls and similar options, except for certain revolving financial instruments such as credit cards and overdrafts. The expected life for these revolving facilities general refers to their behavioral life.

ECL measurement is based on an unbiased probability-weighted ECL determined by evaluating a range of possible outcomes and using reasonable and supportable pieces of information that are available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Forward-looking adjustment models were likewise developed statistically for each product line. These models attempt to establish a link between internal default experience and a combination of several macroeconomic variables, resulting into additional ECL required on weak economic outlook and vice-versa. On the other hand, the determination of the economic outlook is determined by an economic research team and duly approved by management.

In view of uncertainties from emerging risks from current economic factors, overlays and post-model adjustments are applied to determine a sufficient overall level of ECL as of the end of the reporting period.

The Bank also includes off-balance sheet exposures in computing for ECL. ECL reserves on these exposures are booked in 'Allowance for credit losses on off-balance sheet exposures' under 'Other liabilities' in the statement of financial position.

ECL of financial assets at FVOCI

The ECL for financial assets measured at FVOCI does not reduce the carrying amount for these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equivalent to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated losses recognized in OCI is recycled to the profit or loss upon derecognition of the assets.

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 of 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 of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

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:

- Change in currency
- Introduction of an equity feature
- Change in counterparty
- 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 effective interest rate (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.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

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.

Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as a loan to the Bank, reflecting the economic substance of such transaction.

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

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master-netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

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.

Financial Guarantees and Undrawn Loan Commitments

In the ordinary course of business, the Bank gives financial guarantees consisting of letters of credit, letters of guarantees, and acceptances. Financial guarantees are initially recognized in the financial statements at fair value under 'Other liabilities'. Subsequent to initial recognition, the Bank's liabilities under such guarantees are each measured at the higher of the initial fair value less, when appropriate, cumulative amortization calculated to recognize the fee in the statement of income in 'Service charges, fees and commissions', over the term of the guarantee, and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increase in the liability relating to financial guarantees is taken to the statement of income in 'Provision for impairment and credit losses'. Any financial guarantee liability remaining is recognized in the statement of income in 'Service charges, fees and commissions', when the guarantee is discharged, cancelled or has expired.

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer.

The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, is not recorded in the statement of financial position.

These contracts are within the scope of the ECL requirements under PFRS 9 where the Bank estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and loan commitments without outstanding drawn amount is recognized in ‘Allowance for credit losses on off-balance sheet exposures’ under ‘Other liabilities’.

Property and Equipment

Depreciable properties, including condominium units, furniture, fixtures and equipment and leasehold improvements, are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the equipment if the recognition criteria are met, but excludes repairs and maintenance cost.

The initial cost of property and equipment consists of its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance are normally charged against operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the estimated useful life (EUL) of the assets.

The EUL of property and equipment are as follows:

Condominium units	50 years
Furniture, fixtures and equipment	5 to 7 years
Leasehold improvements	5 years or term of the lease, whichever is shorter

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in the statement of income (see accounting policy on Impairment of Nonfinancial Assets).

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.

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) in the statement of financial position. Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the

lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Bank is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over their EUL of 2 to 25 years or the lease term, whichever is shorter. Right-of-use assets are subject to impairment.

Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at the fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case the investment property acquired is measured at the fair value of the asset given up. Foreclosed properties are classified under ‘Investment properties’ upon:

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

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 foreclosures’ in the statement of income.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to profit or loss in the year in which the costs are incurred.

Subsequent to initial recognition, land is carried at cost less any impairment in value while depreciable investment properties are carried at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over 5 to 10 years. The EUL 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 investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Nonfinancial Assets).

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

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

Chattel Properties Acquired

Chattel properties acquired included under ‘Other assets’ in the statement of financial position consist of chattel properties acquired in settlement of loan receivables. These are carried at cost, which is the fair value at recognition date, less accumulated depreciation and any impairment in value.

The difference between the fair value of the chattel properties acquired and the carrying value of the related receivables given up is recognized in ‘Gain (loss) on foreclosures’ in the statement of income.

The Bank applies the cost model in accounting for other properties acquired. Depreciation is computed on a straight-line basis over the EUL of three years. The EUL 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 other properties acquired.

The carrying values of chattel properties acquired are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Nonfinancial Assets).

Software Costs

The Bank’s software costs included under ‘Other assets’ in the statement of financial position pertain to costs associated with developing or maintaining computer software programs and are recognized as expense as incurred. Costs that are directly associated with identifiable and unique software controlled by the Bank and will generate economic benefits beyond one year, are capitalized. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognized as capital improvements and added to the original cost of the software. Capitalized computer software costs are amortized on a straight-line basis over four years.

Impairment of Nonfinancial Assets

Property and equipment, Right-of-use assets, Investment properties, Chattel properties acquired and Software costs

At each reporting date, the Bank assesses whether there is any indication that its nonfinancial assets 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 greater of its fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset 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. An impairment loss is charged to operations in the year in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation

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

Write-off of Assets

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 allowance for ECL or impairment losses, 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 ‘Miscellaneous income’ under ‘Recovery on written-off accounts’.

Equity

Capital stock

The Bank measures preferred stock and common stock at par value for all shares issued and outstanding. When the shares are sold at a premium, the Bank credits the difference between the proceeds and the par value to ‘Additional paid-in capital’. ‘Treasury shares’ representing own equity instruments which are acquired are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in the statement of income on the purchase and sale of the Bank’s own equity instruments.

Surplus

‘Surplus’ represents accumulated earnings (losses) of the Bank less any dividends declared. ‘Surplus reserve’ includes reserves for the Bank’s trust business and any appropriation from ‘Surplus’ that may be required by the application banking laws and regulations.

Dividends on common shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD. Dividends for the period that are approved after the reporting date are dealt with as an event after the reporting date.

Reserves recorded in equity

‘Net unrealized losses on financial assets at FVOCI’ comprises changes in fair value of financial assets at FVOCI. ‘Remeasurement losses on retirement plan’ pertains to the remeasurement comprising actuarial gains or losses on the present value of the defined benefit obligation, net of return on plan assets. ‘Cumulative translation adjustment’ is used to record exchange differences arising from the translation of the FCDU accounts to PHP.

Revenue Recognition

Revenue 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 assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Bank has concluded that it is acting as a principal in all of its revenue arrangements except for brokerage transactions.

Interest income

Interest on interest-bearing financial assets at FVTPL are recognized based on contractual rate. Interest on financial instruments measured at amortized cost and debt instruments classified as FVOCI is recognized based on the effective interest method.

The EIR method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of

the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Under PFRS 9, when a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3, the Bank calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Service charges, fees and commissions

The Bank earns fee income from a diverse range of service it provides to its customers. Income earned on the execution of a significant act is recognized as revenue when the act is completed, while income earned from the provision of services is recognized as revenue over the period in which the services are provided. Exclusive access fees related to the bancassurance agreement are recognized on a straight-line basis over the term of the provision of access.

Gain (loss) on sale of properties

Gains or losses arising from the disposal of property and equipment, investment properties and chattel properties acquired shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss in the period of the disposal.

Net trading gains

Net trading gains represent results arising from trading activities including all gains and losses from changes in fair value of financial assets and liabilities at FVTPL and gains and losses from disposal of financial assets at FVTPL and debt financial assets at FVOCI.

Gain (loss) on foreclosures

Gain or losses arising on foreclosures represent the difference between the fair value of the foreclosed real estate and chattel properties and the carrying value of the related receivables given up.

Other income

Credit-related income due to late payments and other loan-related fees are recognized in the period when service has been rendered.

Borrowing Costs

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

Operating Expenses

Operating expenses are recognized when it is probable that decrease in future economic benefits related to decrease in an asset or increase in a liability has occurred and that the decrease in economic benefits can be measured reliably.

Retirement Cost

Defined benefit plan

The Bank has a funded, noncontributory defined benefit plan administered by a trustee. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and compensation. The Bank’s retirement cost is determined using the projected unit credit method. The retirement cost is generally funded through payments to a trustee-administered fund, determined by periodic actuarial calculations.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

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

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- 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 the statement of income. 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 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 the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets (excluding net interest on defined benefit asset) 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. All remeasurements recognized in the OCI account ‘Remeasurement gains (losses) on retirement plan’ are not reclassified to another equity account 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.

Defined contribution plan

The Bank also contributes to its contributory, defined-contribution type staff provident plan based on a fixed percentage of the employees’ salaries as defined in the plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Bank by the employees and is recorded as an expense under ‘Compensation and fringe benefits’ in the statement of income. Unpaid contributions, if any, are recorded as a liability.

Employee leave entitlement

Employee entitlement to annual leave is recognized as a liability when the employees render the services that increases their annual leave entitlement. The cost of accumulating annual leave are measured as the additional amount that the Bank expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

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 lessee under lease contracts

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.

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.

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases of ATM 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) and some of its retail branches. It also applies the lease of low-value assets recognition exemption to leases of ATM sites that are considered to be of low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term. Refer accounting policy on right-of-use assets.

Bank as lessor under lease contracts

In operating leases where the Bank does not transfer substantially all the risks and rewards incidental to ownership of an asset, the Bank recognizes 'Rental income' under 'Miscellaneous income' in the statement of income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

Provisions

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 assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the 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'.

Contingencies

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

Income Taxes

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

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused MCIT over RCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized when it arises 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 amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income 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 income will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized directly in OCI is also recognized in OCI and not in the statement of income.

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 or if they are subject to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities.

Events after the Reporting Date

Post year-end events that provide additional information about the Bank's position at the reporting date (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Bank acts in a fiduciary capacity such as nominee, trustee or agent.

Standards Issued but Not Yet Effective

Pronouncements of PFRS Accounting Standards issued but not yet effective are listed below. The Bank intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS – 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 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- 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*

Except for PFRS 18, adoption of the above pronouncements is not expected to have a significant impact on the Bank's financial statements.

PFRS 18 replaces PAS 1, *Presentation of Financial Statements*, and responds to investors' demand for better information about companies' financial performance. Entities are required to classify all income and expenses within the statement of income into one of five categories: (1) operating, (2) investing, (3) financing, (4) income taxes; and (5) discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Bank, that

have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The requirements also include:

- Required totals and subtotals in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

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

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Bank to make judgments and estimates 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 judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

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

Judgments

a) Contingencies

The Bank has suits and claims that remain unsettled. Management believes, based on the opinion of its legal counsel that the ultimate outcome of such cases and claims will not involve sums having a material effect on its financial statements. It is possible, however, that the future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

b) Fair value of financial assets

When the fair values of financial instruments recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

The carrying values and corresponding fair values of financial instruments as well as the manner in which fair values were determined are discussed in Note 5.

c) *Evaluation of business model in managing financial instruments*

The Bank manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers.

The business model criteria may be applied at the level of a portfolio of financial instruments (i.e. group of financial instruments that are managed together by the Bank) but not on an instrument-by-instrument basis (i.e. not based on intention for each individual financial instrument). This may include, for instance, a portfolio of investments that the Bank manages in order to collect contractual cash flows and another portfolio of investments that the Bank manages in order to trade to realize fair value changes. The Bank's business model is determined at portfolio level, which reflects how group of financial assets are managed together to achieve a particular business objective. Business model assessment is a matter of fact, rather than merely an assertion.

As of December 31, 2025 and 2024, the Bank's financial assets are classified as at FVTPL, FVOCI and amortized cost. There were no reclassifications made among the three categories during the year.

Estimates

a. *Credit losses on financial assets*

The measurement of credit losses requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include, among others:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used
- Criteria for assessing if there has been an SICR so allowances for debt financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- Segmentation of debt financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomics scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Bank's ECL models were internally developed and independently validated to compute for the potential credit loss of each loan account in adherence to PFRS 9 standards. Models were developed for each product line and mostly followed a "rated-approach" where each loan account were given internal risk grades based on their most recent financial condition for corporates or based on behavioral factors for retail such as repayment performance, delinquency history, among others. These risk grades are then translated to probability of defaults based on statistical models that utilized historical default experiences from the various internal risk grades.

Forward-looking adjustment (FLA) models were likewise developed statistically for each product line. These models attempt to establish a link between internal default experience and a combination of several macro-economic variables, resulting in adjustments to ECL required on weak economic outlook and vice-versa. On the other hand, the determination of the economic outlook is determined by an economic research team and duly approved by management.

Lastly, the other significant variable used in ECL – the LGD – was likewise estimated based on internal loss experience and taking into consideration all direct/indirect costs involved in the loss recovery on the accounts.

Refer to Note 4 for detailed discussions regarding the above mentioned significant judgments and estimates in relation to ECL estimation.

The gross carrying amounts of investment securities, and loans and receivables subject to ECL and related allowances for credit losses as of December 31, 2025 and 2024 are disclosed in Notes 8, and 9, respectively.

b. *Recognition of deferred tax assets*

Deferred tax assets are recognized for all unused tax losses and temporary differences to the extent that it is probable that taxable income will be available against which losses can be utilized. As of December 31, 2025 and 2024, the Bank incurred NOLCO of ₱3.7 billion and ₱2.9 billion, respectively, which can be applied against taxable income within three years from the year incurred. In view of the NOLCO position, 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 income together with future tax planning strategies. Key assumptions used in the forecast of future taxable income include growth in loan portfolio and deposits. Based on the forecast of future taxable income, management recognized deferred tax assets on certain temporary differences that it assessed as probable to be utilized in the foreseeable future.

The details of recognized and unrecognized deferred tax assets are disclosed in Note 25.

4. Financial Risk Management Objectives and Policies

General Risk Management Structure

Risk Management structure within the Bank consists of three lines of defense consisting of risk taking units, risk control units, and Internal Audit. The BOD, through the Risk Management Committee (RMC), performs overall supervision of risk management. Loan proposals and other transactions beyond the approval level of the management committees, particularly those involving directors, officers, stockholders and related interests (DOSRI), are elevated to the BOD, which is the highest authority within the Bank. The RMC is a Board-level Committee that is responsible for setting the Bank's corporate risk policy and strategies. It ensures the adequacy of the risk management infrastructure of the Bank to address the risks it faces in its banking activities including credit, market, operational, liquidity and other material risks.

Senior Management also plays an integral role in ensuring proper implementation of risk policies and strategies. The Bank has the following committees that manage the Bank's key risk areas:

- Credit Committee (CC) is responsible for the approval of credit facilities as well as policies, frameworks and methodologies pertaining to credit risk.
- Asset and Liability Management Committee (ALCO) is responsible for recommending strategies, policies and frameworks to identify, measure, control, monitor and manage market and liquidity risks, as well as balance sheet and capital management to the RMC/Board for approval.
- Management Committee is responsible for directing and reviewing the Bank's overall operations to achieve its objectives and targets.



Risk Management is functionally independent of risk-taking units within the Bank. It is composed of Regional Group Credit Management (RGCM), Credit Risk Management (CRM), Market Risk Management (MRM), Non-Financial Risk (NFR), Enterprise Risk Management (ERM), Credit Review, Office of the Chief Information and Security Officer (OCISO) Corporate Remedial, Risk Analytics, and Sustainability Management. It is responsible for the development of measures to ensure that the risks inherent in the Bank’s activities are properly identified, measured, controlled and reported.

Risk Management has the following general objectives:

- To promote risk management culture and philosophy of risk awareness
- To assist risk-taking business and operating units in understanding and measuring risk/return profiles
- To develop risk and control infrastructure
- To develop, disseminate, and maintain formalized risk policies, frameworks, methodologies and tools
- To provide effective means of differentiating the degree of risk in the various business portfolios of the Bank

Internal Audit provides independent assurance of the effectiveness of the risk management approach. The Audit Committee, which is a Board-level committee, is responsible for the overall supervision of the audit function within the organization.

Risk Measurement and Reporting

To measure risk of default for corporate and commercial loans, the Bank makes use of the International Credit Risk Rating System (ICRRS) which consists of 25 risk grades that are mapped to external ratings, as well as risk classification according to BSP guidelines. The ICRRS is used as a tool for decision making as well as in determining appropriate pricing for loan accounts. The key risk indicators measure the Bank’s credit risk position against targets, historical performance or industry average in selected areas as of a given period.

In terms of measuring the Bank’s ability to withstand the impact of stress conditions, stress testing methodology is used. Through stress testing, the impact of exceptional events on the Bank’s asset quality, profitability and capital adequacy is measured.

The stress testing framework incorporates both sensitivity analysis and scenario-based stress tests, covering macroeconomic, sectoral, and borrower-specific risk factors. Results are used to identify vulnerabilities in the loan portfolio, assess capital resilience, and support proactive risk mitigation measures. Stress testing outcomes also inform strategic planning, capital management, and risk appetite setting, and are reported regularly to senior management and the RMC/Board to support effective risk oversight.

In terms of reporting, the Bank prepares regular loan portfolio reports covering areas such as business growth, asset quality, concentration of exposures and compliance to applicable regulatory and internal guidelines. These reports are submitted to the CC, RMC, BOD and other end-users.

Risk Mitigation

As part of its risk management, the Bank uses derivatives and other treasury products to manage exposures resulting from changes in interest rates and fluctuations in foreign exchange levels.

Where appropriate, the Bank requires a second way out in the form of eligible collaterals or guarantee/surety to mitigate credit risk.

Credit Risk

Credit risk comprises bulk of the Bank’s risk capital. Credit risk is managed through a two-pronged approach: the credit risk management and credit portfolio management.

CRM undertakes the improvement and implementation of Group risk frameworks, tools, and methodologies for the identification, measurement, monitoring, control and pricing of credit risk in accordance to the Bank’s risk appetite and lending direction and strategies. Methodologies are implemented in coordination with the Parent Company to ensure consistency of risk management approach across the Maybank Group. Where applicable, methodologies and tools are adopted from the Parent Company and customized to the local operating environment.

CRM is responsible for setting concentration limits and monitoring exposures against these limits.

Part of the Bank’s Credit Risk Management processes are to develop and implement various mechanisms to support business generation, capital optimization, portfolio management, and Basel III implementation. It ensures that credit approval structures follow the “four eyes policy” for appropriate check and balance. The Credit Review Unit undertakes the post-approval review of selected loan accounts.

Collateral and other credit enhancements

There are various collaterals and securities that are acceptable to the Bank. In evaluating acceptability of collateral, three factors are considered: control, disposability and margin.

The Account Officer is primarily responsible in ensuring the acceptability of collaterals/security obtained to secure the loan based on established minimum acceptance criteria and maximum margin of financing.

The Account Officer is responsible in ensuring that the collaterals are duly and regularly inspected and appraised, adequately insured where necessary, and payment of applicable taxes are updated.

The Account Officer also ensures that the approved margin of financing is maintained throughout the life of the loan.

Loans or portions thereof that are covered by collateral/security including but not limited to the following are considered secured:

- Registered First Real Estate Mortgage over eligible real estate properties with road right of way
- Peso or US Dollar-denominated deposits that are maintained with the Bank
- Government securities
- Motor vehicles
- Machinery and equipment

Direct and indirect borrowings of the Philippine government is treated as non-risk and considered as secured.



Borrowings secured by guarantees/collateral issued by the Parent Company and Maybank branches and subsidiaries are considered secured.

Pending disposal of acquired assets, the Bank arranges for the properties to be leased on a short-term basis by interested parties.

Credit risk exposures

The table below shows the Bank’s maximum exposure to credit risk on loans and receivable as of December 31, 2025 and 2024:

	December 31, 2025			
	Maximum Exposure			
	Carrying amount	Fair value of collateral	Financial effect of collateral	Net exposure
Loans and receivables				
Loans				
Corporate	₱2,641,600,503	₱109,442,849	₱94,361,211	₱2,547,239,292
Commercial	4,102,678,455	9,018,074,443	3,453,223,815	649,454,640
Consumer				
Auto loans	27,400,737,865	51,867,789,312	25,471,481,601	1,930,641,164
Housing loans	16,414,967,195	27,603,381,919	16,342,431,786	72,535,409
Others	937,328,167	14,150,000	9,383,178	927,944,989
	51,497,312,185	88,612,838,523	45,370,881,591	6,127,815,495
Accounts receivable				
Corporate	689,440,807	–	–	689,440,807
Individual	2,334,456	–	–	2,334,456
	691,775,263	–	–	691,775,263
Sales contract receivable				
Corporate	508,739,075	849,558,197	508,739,075	–
Individual	35,916,102	111,025,900	35,916,102	–
	544,655,177	960,584,097	544,655,177	–
RCOCI	106,811	–	–	106,811
	₱52,733,849,436	₱89,573,422,620	₱45,915,536,768	₱6,819,697,569

	December 31, 2024			
	Maximum Exposure			
	Carrying amount	Fair value of collateral	Financial effect of collateral	Net exposure
Loans and receivables				
Loans				
Corporate	₱5,403,648,898	₱155,172,662	₱100,125,792	₱5,303,523,106
Commercial	4,528,531,943	8,903,280,136	3,845,086,646	683,445,297
Consumer				
Auto loans	31,649,170,197	53,264,090,232	27,980,085,220	3,669,084,977
Housing loans	17,474,123,771	28,300,020,436	17,182,111,806	292,011,965
Others	1,418,370,289	522,812,118	477,879,736	940,490,554
	60,473,845,098	91,145,375,584	49,585,289,200	10,888,555,899
Accounts receivable				
Corporate	1,050,852,580	–	–	1,050,852,580
Individual	1,340,018	–	–	1,340,018
	1,052,192,598	–	–	1,052,192,598
Sales contract receivable				
Corporate	267,694,074	537,140,000	267,694,074	–
Individual	26,684,304	88,376,069	26,684,304	–
	294,378,378	625,516,069	294,378,378	–
RCOCI	114,664	–	–	114,664
	₱61,820,530,738	₱91,770,891,653	₱49,879,667,578	₱11,940,863,161

For the other financial assets, the carrying amounts represent the maximum exposure to credit risk as at December 31, 2025 and 2024.

Credit risk management has set concentration limits according to various categories such as individual/group borrower, banks, countries, collateral, economic sectors, and product types to ensure optimal portfolio diversification.

Risk Concentration

Concentration of credit arises 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 geographic location. Concentration limits are set by CRM, endorsed by RMC, and approved by the BOD. These include limits by business segments, credit facility/portfolio, collateral/security, economic sector, loan size and obligor type. These limits are established to ensure diversification, capital optimization and appropriate management of concentration risk.

The tables below show the distribution of maximum credit exposure by industry sector of financial assets and off-balance sheet items before taking into account the fair value of the loan collateral or other credit enhancements (amounts in thousands):

	December 31, 2025		December 31, 2024	
	Gross Amount	%	Gross Amount	%
Loans and Receivables				
Construction and real estate	₱18,424,262	33.89	₱21,642,933	34.50
Wholesale and retail, repair of motor vehicles, motorcycles and personal household goods	13,807,897	25.40	14,909,892	23.77
Transportation, storage and communication	6,142,227	11.30	6,250,282	9.96
Government	4,582,255	8.43	5,138,316	8.19
Education	1,548,397	2.85	1,699,334	2.71
Power, electricity and water distribution	1,340,070	2.46	2,515,869	4.01
Financial intermediaries	1,230,291	2.26	1,191,175	1.90
Trading and manufacturing	1,202,739	2.21	1,424,118	2.27
Agriculture	1,193,965	2.20	1,537,593	2.45
Others	4,899,672	9.01	6,424,603	10.24
	54,371,775	100.00	62,734,115	100.00
Loans and advances to banks*				
Financial intermediaries	7,937,782	68.43	3,038,077	27.31
Government	3,661,231	31.57	8,084,429	72.69
	11,599,013	100.00	11,122,506	100.00
Trading and financial investment securities**				
Government	21,235,170	95.14	29,794,544	93.71
Financial intermediaries	587,919	2.63	56,257	0.18
Construction and real estate	28,078	0.13	1,082,170	3.40
Activities of holding companies	468,972	2.10	862,634	2.71
	22,320,139	100.00	31,795,605	100.00
Others***				
Financial intermediaries	511,215	16.15	9,360	0.26
Trading and manufacturing	481,249	15.21	558,305	15.44
Agriculture	131,099	4.14	2,967	0.08
Wholesale and retail, repair of motor vehicles, motorcycles and personal household goods	335,170	10.59	1,297,871	35.90
Construction and real estate	218,058	6.89	940,427	26.01
Power, electricity and water distribution	668,417	21.12	–	–
Others	819,551	25.90	806,584	22.31
	3,164,759	100.00	3,615,514	100.00
	₱91,455,686		₱109,267,740	

* Consists of Due from BSP, Due from other banks and Interbank loans receivables

** Consists of Financial assets at FVTPL, Financial assets at FVOCI and Investment securities at amortized cost and excludes equity securities

*** Consists of Contingent liabilities relating to outstanding letters of credit

Credit quality per class of financial assets

For investment securities and depository accounts, the Bank relies on acceptable third-party issuer or issue ratings, international or local, as applicable. Any exposure, whether direct or indirect, to the sovereign entity – Republic of the Philippines (ROP) and BSP, is considered non-risk or high grade. Issuances by ROP and BSP are considered as high grade since the chance of default is virtually nil.

Private entities, such as financial institutions or corporations, issuing debt securities, with risk rating similar to ROP/BSP are likewise classified as high grade. Such entities are generally held as top-tier. Companies with third party ratings lower than ROP are classified as standard grade. These are companies that exhibit moderate credit risk with acceptable capacity to meet its financial commitments.

Companies without third party ratings are classified as unrated or adopt the Bank’s internal risk rating.

For loans and receivables, the following are subject to risk rating and behavioral scoring:

- Corporate and commercial loans (except those fully secured by hold-out on deposits)
- Contract-to-sell financing (risk rating on the developer)
- Consumer loans (except truck loans)

Accounts which are not subjected to risk rating, such as consumer loans (i.e. truck loans) are considered unrated.

Loan Grades

- Performing Grade is from Grade 1 to 22 – Grade 1 (i.e. lowest probability of default) is the best grade while Grade 22 (i.e. highest probability of default) is the worst grade.

- a.) High grade (accounts with risk grade of 1 to 10)
Accounts falling within this classification have good to highly exceptional capacity to meet its financial commitments with very low to low credit risk.
- b.) Standard grade (accounts with risk grade of 11 to 15)
Accounts falling within this classification have fairly good to fairly acceptable capacity to meet their financial commitments with moderate credit risk.
- c.) Substandard grade (accounts with risk grade of 16 to 22)
Accounts under this category exhibit high credit or default risk with impairment characteristics that are neither classified under ‘past due but not impaired’ nor ‘individually impaired’.

Start-up companies, regardless of the strength of their risk rating have default grade cap of 19.

- Non-Performing Grade is from Grade 23 to 25 which is under past due or impaired.
 - a.) Grade 22 is a non-performing grade assigned to borrowers which have undergone restructuring and rescheduling and are classified as Substandard accounts.
 - b.) Grade 23 is a non-performing grade assigned to borrowers classified as Substandard accounts. These are loans and other credit accommodations that have well-defined weakness(es), that may jeopardize repayment/ liquidation in full, either in respect of the business, cash flow or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower. Basic characteristics include the following:
 - Weak financial condition and results of operation that leads to the borrower’s inability to generate sufficient cash flow for debt servicing, except for start-up firms which shall be evaluated on a case-to-case basis;
 - Past due secured loans and other credit accommodations where properties offered as collateral have been found with defects as to ownership or with other adverse information.
 - Breach of any key financial covenants/agreements that will adversely affect the capacity to pay-off the borrower; or
 - Classified “Especially Mentioned” as of the last credit review without adequate corrective action
 - Loans past due for more than 90 days.
 - c.) Grade 24 is a non-performing grade assigned to borrowers classified as Doubtful accounts. These are loans and credit accommodations that exhibit severe weaknesses than those classified as “Substandard” whose characteristics on the basis of currently known facts, conditions and values make collection or liquidation highly improbable, however the exact amount remains undeterminable as yet. Classification as “Loss” is deferred because of specific pending factors which may strengthen the assets.
 - d.) Grade 25 is a non-performing grade assigned to borrowers classified as Loss. These are loans or portions thereof which are considered uncollectible or worthless.

The financial assets are also classified into stages based on changes in credit risk, as described below:

Stage 1 – those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 – those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 – those that are considered in default or demonstrate objective evidence of impairment as of reporting date.



The credit quality of the Bank’s receivables from customers as of December 31, 2025 follow (in thousands):

	Stage 1	Stage 2	Stage 3	Total
Auto				
Unrated	₱25,608,731	₱1,852,263	₱1,033,152	₱28,494,146
Standard grade	6,674	–	–	6,674
Auto Total	25,615,405	1,852,263	1,033,152	28,500,820
Commercial				
Unrated	3,840,934	98,947	–	3,939,881
Standard grade	3,527	–	–	3,527
Non-performing grade	–	–	207,292	207,292
Commercial Total	3,844,461	98,947	207,292	4,150,700
Corporate				
Unrated	37,126	–	1,124	38,250
High grade	1,055,753	–	–	1,055,753
Standard grade	1,389,457	–	–	1,389,457
Substandard grade	–	131,543	–	131,543
Non-performing grade	–	–	1,607,786	1,607,786
Corporate Total	2,482,336	131,543	1,608,910	4,222,789
Housing				
Unrated	15,610,031	531,560	11,562	16,153,153
Non-performing grade	–	–	310,563	310,563
Housing Total	15,610,031	531,560	322,125	16,463,716
Other				
Unrated	974,384	32,610	26,757	1,033,751
Other Total	974,384	32,610	26,757	1,033,751
Grand Total	₱48,526,617	₱2,646,923	₱3,198,236	₱54,371,776

The credit quality of the Bank’s financial assets other than receivables from customers as of December 31, 2025 follows (in thousands):

	Stage 1	Stage 2	Stage 3	Total
Due from BSP				
High Grade	₱3,661,231	₱–	₱–	₱3,661,231
Due from other banks				
High Grade	₱6,637,782	₱–	₱–	₱6,637,782
Interbank loans receivable				
High Grade	₱1,300,000	₱–	₱–	₱1,300,000
Financial instruments at FVOCI				
High Grade	₱10,219,857	₱468,580	₱–	₱10,688,437
Investment Securities at amortized cost				
High Grade	₱11,003,671	₱–	₱–	₱11,003,671
Other financial assets				
Unrated	₱1,375,104	₱–	₱–	₱1,375,104

*Others financial assets include Sales Contract Receivable, Accounts Receivable and RCOCI

The credit quality of the Bank’s receivables from customers as of December 31, 2024 follow (in thousands):

	Stage 1	Stage 2	Stage 3	Total
Auto				
Unrated	₱29,060,154	₱1,963,640	₱849,235	₱31,873,029
Standard grade	339,750	–	–	339,750
Auto Total	29,399,904	1,963,640	849,235	32,212,779
Commercial				
Unrated	3,766,242	112,772	138,788	4,017,802
Standard grade	496,111	–	–	496,111
Non-performing grade	–	–	98,708	98,708
Commercial Total	4,262,353	112,772	237,496	4,612,621
Corporate				
Unrated	66,611	1,125	316	68,052
High grade	1,420,855	–	–	1,420,855
Standard grade	3,653,053	–	–	3,653,053
Substandard grade	–	304,574	–	304,574
Non-performing grade	–	–	1,265,115	1,265,115
Corporate Total	5,140,519	305,699	1,265,431	6,711,649
Housing				
Unrated	16,769,885	310,914	253,408	17,334,207
Non-performing grade	–	–	350,871	350,871
Housing Total	16,769,885	310,914	604,279	17,685,078
Other				
Unrated	1,470,423	19,524	22,041	1,511,988
Other Total	1,470,423	19,524	22,041	1,511,988
Grand Total	₱57,043,084	₱2,712,549	₱2,978,482	₱62,734,115

The credit quality of the Bank’s financial assets other than loans and receivables from customers as of December 31, 2024 follow (in thousands):

	Stage 1	Stage 2	Stage 3	Total
Due from BSP				
High Grade	₱8,084,429	₱–	₱–	₱8,084,429
Due from other banks				
High Grade	₱508,237	₱–	₱–	₱508,237
Interbank loans receivable				
High Grade	₱2,529,840	₱–	₱–	₱2,529,840
Financial instruments at FVOCI				
High Grade	₱14,322,876	₱–	₱–	₱14,322,876
Investment Securities at amortized cost				
High Grade	₱14,137,000	₱–	₱–	₱14,137,000
Other financial assets				
Unrated	₱1,346,899	₱–	₱–	₱1,346,899

*Others financial assets include Sales Contract Receivable, Accounts Receivable and RCOCI

As of December 31, 2025 and 2024, allowance on individually impaired receivables of the Bank amounted to ₱1.3 billion and ₱1.2 billion, respectively.

Impairment assessment

The Bank uses a provision matrix to calculate ECL for receivables from retail customers. The provision matrix is initially based on the Bank’s historical observed default rates. The Bank calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation rate) is expected to deteriorate over the next year which can lead to an increased number of defaults in the financial sector, the historical default rates will be adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Market Risk

The Bank recognizes market risk as the adverse impact on earnings or capital, either immediate or over time, arising from changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates, commodity prices and equity prices. Market risk arises through the Bank’s trading and balance sheet activities. The primary categories of market risk for the Bank are:

- i. Interest rate risk: arising from changes in prevailing interest rates and implied volatilities on interest rate options; and
- ii. Foreign exchange (FX) rate risk: arising from changes in exchange rates or risk arising from adverse movements/mismatches in currencies.

The RMC is the overall risk oversight body. Management of market, interest rate risk in the banking book and liquidity risks is delegated to the ALCO. ALCO is responsible for the establishment of appropriate risk policies and limits, duly approved by the RMC; and execution of both strategic and tactical actions to maintain the exposure within the set tolerances and meet the risk and reward objectives of the Bank.

The Bank established the MRM to assist the BOD, RMC, ALCO in monitoring and managing the Bank’s market risk exposures independently from the risk taking units. MRM also acts as business partners with Global Markets in the daily monitoring of its positions against approved risk measures. MRM’s roles include the following:

- Ensure that the market, IRRBB and liquidity risk management objectives of the Bank are achieved through the development, implementation, maintenance and enhancement of a comprehensive risk management process that comprises of qualitative and quantitative methodologies to identify, measure, control and monitor, among others, the following:
 - Market risks, which covers the risk of loss of earnings arising from changes in interest rates, foreign exchange rates, equity and commodity prices and their implied volatilities
 - IRRBB, which covers the risk of loss in earnings or in economic value on banking book exposures arising from movements in the interest rates
 - Liquidity risks, which covers liquidity crisis, funding structure, fund raising policies and strategies, diversification of funding sources, gap analysis and management
- Provide support functions to the ALCO to facilitate informed strategic management decision making
- Provide consultative services and support functions to all relevant units within the Bank on matters pertaining to market and liquidity risks management and treasury operations
- Participate, in collaboration with other risk management units within the Bank on cross border risk management issues, to identify and mitigate various risks inherent in new Global Markets and core banking products prior to product introduction
- Provide revaluation prices of relevant Global Markets products transacted by various business units within the Bank
- Perform regular independent supervision of Global Markets operations

A Market and Liquidity Risk Management (MLRM) Framework is in place to institutionalize vigilance and awareness of market and liquidity risk. MLRM provides the foundation for the optimization of risk returns, consistent management of market and liquidity risk and governance and risk oversight. All market risk policies being issued are reviewed at least annually to ensure compliance with regulatory requirements and up to par with international best practices.

The Bank’s traded market risk exposures are primarily from proprietary trading, client servicing and market making. Various risk measurement techniques are used by the Bank to monitor and manage market risk and IRRBB, such as Price-Value-of-a-Basis-Point (PV01), FX net open position (NOP), Value-at-Risk (VaR), Stop Loss, Earnings-at-Risk (EaR) and Impact on Economic Value (IEV). In addition, a variety of stress testing techniques are performed to complement the reporting to Management.

Interest rate risk

The Bank is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows. Interest rate risk exposure is identified, measured, monitored and controlled through thresholds and procedures set by the Management to protect total net interest income from changes in market interest rates.

Trading: PV01

PV01 measures the change in the value of the portfolio with 1 basis point increase in the yield curve and is applicable for the trading portfolio. Thresholds are set annually to re-assess the Bank’s risk appetite and strategy. The PV01 is computed and reported daily to Global Markets and monthly to ALCO.

Shown in the table below is the Interest Rate Sensitivities (PV01) Report - By Portfolio as at December 31, 2025 and 2024 (amounts in thousands).

Desk	Rates Trading		Interest Rate Derivatives	
	2025	2024	2025	2024
PHP	(P153.53)	(P9.91)	(P17.28)	P16.10
USD	0.00	0.02	(9.82)	15.39
Net	(P153.53)	(P9.89)	(P27.10)	P31.49

Non-Trading: PV01

PV01 measures the change in the value of the portfolio with 1 basis point increase in the yield curve and is applicable to the FVOCI portfolio.

Shown in the table below is the Interest Rate Sensitivities (PV01) Report of GM’s Rates Banking Book Investments as at December 31, 2025 and 2024 (amounts in thousands).

Desk	Rates Banking	
	2025	2024
PHP	(P3,014)	(P3,395)
USD	(1,231)	(1,352)
Net	(P4,245)	(P4,747)



Interest Rate Risk in Banking Book: EaR and IEV

IRRBB is defined as a Pillar 2 risk under the BSP Risk-Weighted Capital Adequacy Framework (Basel II) – Internal Capital Adequacy Assessment Process (Pillar 2) guidelines. IRRBB is one of the Pillar 2 risks that is quantifiable and reliably measured and quantified, with acceptable risk identification and measurement methodologies that have been reasonably tested and accepted within the industry.

The Bank emphasizes the importance of managing interest rate risk in the banking book as most of the balance sheet items of the Bank generate interest income and interest expense, which are indexed to interest rates. Volatility of earnings can pose a threat to the Bank’s profitability while economic value provides a more comprehensive view of the potential long-term effects on the Bank’s overall capital adequacy.

All policies, procedures and limits related to IRRBB are presented and deliberated in ALCO prior endorsement to RMC for final resolution. Balance sheet management is the prime responsibility of ALCO and key strategies on how to optimize assets and liabilities are discussed every meeting.

As a measurement tool, the Bank utilizes EaR to estimate the sensitivity of the Bank’s Net Interest Income (NII) due to a 100 basis points (bps) change in the underlying interest rates over a period of one year.

Economic Value of Equity (“EVE”), on the other hand, measures the sensitivity of economic value of all Non Trading Book assets, liabilities and interest rate related off-balance sheet products to interest rate movements over a longer horizon. Sensitivity of EVE seeks to evaluate the change in EVE due to changes in interest rate under an interest rate stress or shock scenario (based on 100 bps change in the market yield curve as well as the maximum of the worst impact on EVE across 6 standardized interest rate shock scenarios).

EaR and EVE are calculated based on the repricing gaps, or the difference between the amounts of rate sensitive assets and the amounts of 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, which may restrain the growth of its net income or result in a decline in net interest income. To reflect sensitivity of certain assets and liabilities, analysis of balances and its movement is done via application of behavioral assumptions to repricing cash flow.

The Bank monitors the exposure of financial assets and financial liabilities to fluctuations in interest rates by measuring the impact of interest rate movements on its interest income. This is done by modeling the impact of various changes in interest rates to the Bank’s interest-related income and expenses. The EaR and EVE is computed and reported monthly to ALCO and bi-monthly to RMC. Additionally, the Bank uses sensitivity analysis for stress testing of IRRBB. Parallel shock of 300 and 400 basis points are simulated and reported for perspective.

The Bank employed additional tools to aid in the management of IRRBB via the Risk Confidence (“RCO”) system. There are 7 scenarios for EVE which includes 1 baseline scenario and 6 shock scenarios, and 3 scenarios for NII which includes 1 baseline scenario and 2 shock scenarios. The simulation considers assumptions on loan prepayment, deposits early redemption and CASA deposit behavior.

The following tables provide additional information on the statistical impact on net income and equity as of December 31, 2025 and 2024 (amounts in thousands):

Currency	December 31, 2025			
	PHP		US\$	
Changes in interest rates (in basis points)	+100	-100	+100	-100
Change in net income	₱4,649	(₱4,649)	₱93,582	(₱93,582)
Change in equity	55,866	(55,866)	34,150	(34,150)

Currency	December 31, 2024			
	PHP		US\$	
Changes in interest rates (in basis points)	+100	-100	+100	-100
Change in net income	(₱54,793)	₱54,793	(₱132,053)	₱132,053
Change in equity	(253,356)	253,356	(47,584)	47,584

The impact on the Bank’s equity represents impact on OCI and excludes the impact on transactions affecting the statements of income.

The sensitivity in the statements of income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the floating rate financial assets and financial liabilities held at the reporting date. The sensitivity of equity is calculated by revaluing fixed-rate FVOCI investments at reporting date for the effects of the assumed changes in interest rates. The impact on the equity as stated above already excludes the impact on transactions affecting the statements of income.

Foreign exchange rate risk

Foreign exchange (FX) rate risk is the risk that the Bank may suffer losses as a result of adverse exchange rate movements during a period in which it has an open position in a currency. Where the value of asset/inflow exposures in one currency is not equal to the value of liability/outflow exposures in that currency, it is described as an open position. It may be short (liabilities exceed assets) or long (assets exceed liabilities).

The Bank controls its FX exposures by transacting in permissible currencies. Management of FX risk is done via monitoring of FX NOP and PV01 for those FX positions in the trading book. If the level reaches the trigger point, action is required to bring back the level to within the normal range. FX risk is reviewed together with other risks to determine the Bank’s overall risk profile.

Foreign currency-denominated liabilities generally consist of: (a) foreign currency-denominated deposits in the Bank’s FCDU, (b) accounts maintained in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, and (c) foreign currency-denominated borrowings appearing in the regular books of the Bank.

Foreign currency-denominated deposits are generally used to fund the Bank’s foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency-denominated liabilities with the foreign currency-denominated assets held under the FCDU books.

The Bank has significant exposure to US\$ monetary assets and liabilities as of December 31, 2025 and 2024.

The tables below summarize the reasonable possible movement of the currency rate against each significant foreign currency with all other variables held constant on the statements of income (US\$ against PHP) (amounts in thousands).

Bankwide FX Position

	December 31, 2025	
Changes in foreign currency exchange rate	+5.0%	-5.0%
Effect on profit before tax (in thousands)	₱21,392	(₱21,392)

	December 31, 2024	
Changes in foreign currency exchange rate	+5.0%	-5.0%
Effect on profit before tax (in thousands)	(₱168)	₱168

Trading FX USD Position

	December 31, 2025		December 31, 2024	
	Spot	Forwards	Spot	Forwards
PV01	(7)	161	30	(6)

Liquidity Risk

Liquidity risk management overview

Liquidity risk is the risk that the Bank’s financial condition or overall safety and soundness is adversely affected by an inability (or perceived inability) to meet its obligations and may result in the Bank incurring unacceptable losses. The Bank’s obligations and the funding sources used to meet them, depend significantly on its business mix, its balance sheet structure and the cash flow profile of its on- and off-balance sheet obligations.

The Non-Trading Book Policy, which includes policies on liquidity risk management, is reviewed regularly and tabled to ALCO and RMC. The Bank’s liquidity risk position is actively discussed and managed at the ALCO and RMC in line with the approved guidelines and policies.

The Bank, in line with the Group, has implemented leading practices as a foundation to manage and measure its liquidity risk exposure. The Bank uses a range of tools to monitor and control liquidity risk exposure such as liquidity gap, early warning signals/liquidity indicators and stress testing. The liquidity positions of the Bank are monitored regularly against the established policies, procedures and thresholds.

Management of liquidity risk

For day to day liquidity management, Global Markets will ensure sufficient funding to meet the Bank’s intraday payment and settlement obligations on a timely basis. In addition, the process of managing liquidity risk includes:

- Maintaining an adequate portfolio that can easily be liquidated as protection against any unforeseen interruption in cashflows;
- Maintaining a stable funding to support illiquid assets and business activities;
- Daily and monthly monitoring of liquidity ratios against internal and regulatory requirements;
- Monthly monitoring of gaps arising from mismatched maturity of assets and liabilities;
- Monthly monitoring and managing of concentration ratios of deposits;
- Conducting monthly liquidity stress testing under various scenarios as part of prudent liquidity control;
- Maintaining a robust contingency funding plan that includes strategies, decision-making authorities, internal and external communication and courses of action to be taken under different liquidity crisis scenarios; and
- Conducting Contingency Funding Plan (CFP) testing to examine the effectiveness and robustness of the plans.

Liquidity coverage ratio and Net stable funding ratioThe Bank monitors its LCR and NSFR on a daily basis; joint management and monitoring are carried out by Global Markets and Group Finance. As of December 31, 2024 and 2023, bank-wide LCR levels as reported to the BSP stood at 141.38% and 120.03%, respectively and the bank-wide NSFR levels as reported to the BSP stood at 119.07% and 111.38%, respectively.

Stress testing and Contingency Funding Plan

The Bank uses stress testing and scenario analysis to evaluate the impact of sudden stress events on liquidity position. Scenarios are based on hypothetical events that include bank specific (idiosyncratic) crisis, general market crisis and a combined scenario that captures the simultaneous occurrence of both idiosyncratic and market-wide crises. The stress test result provides an insight of the Bank’s funding requirements during different levels of stress environments and is closely linked to the Bank’s CFP, which provides a systemic approach in handling any unexpected liquidity disruptions. The plan encompasses strategies, decision-making authorities, internal and external communication and courses of action to be taken under different liquidity crisis scenarios.

The Bank also conducts CFP tests to ensure the effectiveness and operational feasibility of the CFP. The key aspects of the testing are to focus on the preparedness of key senior management and their respective alternate in handling a simulated distress funding situation. It also provides exposure and develops capabilities on how to respond to a liquidity crisis situation and operate effectively with each other under challenging circumstances.



Analysis of financial assets and financial liabilities by remaining contractual maturities
The tables below show the maturity profile of the Bank's financial assets and financial liabilities based on contractual undiscounted cash flows (amount in thousands).

	December 31, 2025					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 year	Total
Financial Assets						
Cash and other cash items	₱2,183,044	₱–	₱–	₱–	₱–	₱2,183,044
Due from BSP	3,661,231	–	–	–	–	3,661,231
Due from other banks	6,637,782	–	–	–	–	6,637,782
Interbank loans receivable	–	1,300,000	–	–	–	1,300,000
Financial assets at FVTPL:						
Government securities	302,987	409,499	–	–	–	712,486
Derivative assets	25,454	–	8,663	–	6,725	40,842
Financial assets at FVOCI:						
Debt instruments						
Government	3,660,960	265,561	–	307,321	7,775,133	12,008,975
Private	–	–	–	–	1,206,114	1,206,114
Equity						
Quoted	–	–	–	–	8,761	8,761
Unquoted	–	–	–	–	23,432	23,432
Financial assets at amortized cost:						
Government	1,770,034	4,496,293	27,000	232,900	4,797,418	11,323,645
Private	471,901	147,476	–	–	–	619,377
Loans and receivables:						
Receivables from:						
Corporate	1,598,382	341,566	40,235	336,203	2,752,878	5,069,264
Commercial	1,123,012	1,500,055	330,859	67,228	1,613,776	4,634,930
Consumer:						
Auto loans	224,090	92,434	221,239	705,674	32,604,988	33,848,425
Housing loans	19,618	2,767	8,317	32,216	26,844,440	26,907,358
Others	843,554	3,446	9,251	37,063	181,738	1,075,052
	22,522,049	8,559,097	645,564	1,718,605	77,815,403	111,260,718
Sales contract receivable:						
Corporate	260,000	–	–	2,223	325,483	587,706
Individual	989	–	1,980	683	44,219	47,871
	260,989	–	1,980	2,906	369,702	635,577
Accounts receivable:						
Corporate	382,114	2,213	2,194	6,974	420,990	814,485
Individual	1,019	1,294	526	8	76	2,923
	383,133	3,507	2,720	6,982	421,066	817,408
RCOCI	107	–	–	–	–	107
	₱23,166,278	₱8,562,604	₱650,264	₱1,728,493	₱78,606,171	₱112,713,810

	December 31, 2025					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 year	Total
Financial Liabilities						
Deposit liabilities:						
Demand	₱24,700,279	₱–	₱–	₱–	₱–	₱24,700,279
Savings	25,367,140	237,314	68,496	1,842	–	25,674,792
Time	7,748,569	6,085,987	1,757,089	526,093	3,397,575	19,515,313
	57,815,988	6,323,301	1,825,585	527,935	3,397,575	69,890,384
Derivative liabilities						
Forward contracts	19,217	–	–	–	–	19,217
Bills payable	8,821,476	–	–	–	–	8,821,476
Manager's checks	293,789	–	–	–	–	293,789
Accounts payable	351,935	70,901	73,637	47,429	222,890	766,792
Subordinated debt	–	17,921	26,737	44,658	2,103,836	2,193,152
Due to Treasurer of the Philippines	–	–	–	–	64,801	64,801
	9,486,417	88,822	100,374	92,087	2,391,527	12,159,227
Contingent liabilities	2,106,466	852,392	168,823	24,806	784,174	3,936,661
	₱69,408,871	₱7,264,515	₱2,094,782	₱644,828	₱6,573,276	₱85,986,272

	December 31, 2024					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 year	Total
Financial Assets						
Cash and other cash items	₱1,956,186	₱–	₱–	₱–	₱–	₱1,956,186
Due from BSP	8,084,429	–	–	–	–	8,084,429
Due from other banks	508,237	–	–	–	–	508,237
Interbank loans receivable	3,260,683	–	–	–	–	3,260,683
Financial assets at FVTPL:						
Government securities	1,446,946	1,001,036	56,278	–	–	2,504,260
Derivative assets	1,533	3,456	–	–	12,557	17,546
Financial assets at FVOCI:						
Debt instruments						
Government	6,120,985	179,691	118,088	5,059,610	3,443,173	14,921,547
Private	703	–	–	356,971	511,991	869,665
Equity						
Quoted	–	–	–	–	8,761	8,761
Unquoted	–	–	–	–	23,432	23,432
Financial assets at amortized cost:						
Government	2,123,412	2,563,057	185,409	512,633	9,532,142	14,916,653
Private	1,660	2,344	104,636	60,699	22,243	191,582
Loans and receivables:						
Receivables from:						
Corporate	2,445,880	491,699	730,801	849,451	3,132,968	7,650,799
Commercial	1,892,073	1,477,161	585,123	275,830	1,580,680	5,810,867
Consumer:						
Auto loans	559,056	1,519,042	1,430,795	3,160,775	39,518,508	46,188,176
Housing loans	1,395	356,061	354,901	734,419	34,425,459	35,872,235
Others	848,299	14,014	17,581	53,036	250,902	1,183,832
	29,251,477	7,607,561	3,583,612	11,063,424	92,462,816	143,968,890
Sales contract receivable:						
Corporate	260,000	–	–	–	7,982	267,982
Individual	1,161	–	58	1,416	23,977	26,612
	261,161	–	58	1,416	31,959	294,594
Accounts receivable:						
Corporate	206,854	10,614	2,151	129,350	311,781	660,750
Individual	427,911	323	1,186	956	18,144	448,520
	634,765	10,937	3,337	130,306	329,925	1,109,270
RCOCI	115	–	–	–	–	115
	₱30,147,518	₱7,618,498	₱3,587,007	₱11,195,146	₱92,824,700	₱145,372,869

	December 31, 2024					
	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 year	Total
Financial Liabilities						
Deposit liabilities:						
Demand	₱24,544,060	₱–	₱–	₱–	₱–	₱24,544,060
Savings	19,449,765	200,068	57,295	1,738	–	19,708,866
Time	23,788,510	8,125,723	858,657	258,369	216,157	33,247,416
	67,782,335	8,325,791	915,952	260,107	216,157	77,500,342
Derivative liabilities						
Forward contracts	163,409	–	–	–	–	163,409
Bills payable	14,820,660	–	–	–	–	14,820,660
Manager's checks	709,260	–	–	–	–	709,260
Accounts payable	3,377,110	536,596	126,640	99,340	331,705	4,471,391
Due to Treasurer of the Philippines	–	–	–	–	37,843	37,843
	19,070,439	536,596	126,640	99,340	369,548	20,202,563
Contingent liabilities	64,616,430	7,334,213	58,001	231,015	1,434,624	73,674,283
	₱151,469,204	₱16,196,600	₱1,100,593	₱590,462	₱2,020,329	₱171,377,188



5. Fair Value Measurement

The following table provides the fair value hierarchy of the Bank’s assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

December 31, 2025					
	Fair value				Total
	Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Carrying value					
Assets measured at fair value					
Financial assets					
Financial assets at FVTPL					
Debt securities	₱712,485,686	₱712,485,686	₱–	₱–	₱712,485,686
Derivative assets	40,841,840	–	40,841,840	–	40,841,840
Financial assets at FVOCI					
Government securities	10,187,664,307	10,187,664,307	–	–	10,187,664,307
Private debt securities	468,579,816	468,579,816	–	–	468,579,816
Quoted equity securities	8,761,382	8,761,382	–	–	8,761,382
Unquoted equity securities	23,431,714	–	–	23,431,714	23,431,714
	11,441,764,745	11,377,491,191	40,841,840	23,431,714	11,441,764,745
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost					
Government securities	10,389,282,842	10,418,781,022	–	–	10,418,781,022
Private debt securities	614,388,520	615,994,423	–	–	615,994,423
	11,003,671,362	11,034,775,445	–	–	11,034,775,445
Loans and receivables					
Receivables from customers					
Corporate lending	2,641,600,503	–	–	4,254,370,466	4,254,370,466
Commercial lending	4,102,678,455	–	–	4,134,102,182	4,134,102,182
Consumer lending	44,753,033,226	–	–	46,569,436,249	46,569,436,249
	51,497,312,184	–	–	54,957,908,897	54,957,908,897
Nonfinancial assets					
Investment properties	1,702,348,442	–	–	3,143,355,412	3,143,355,412
Total assets	₱75,645,096,733	₱22,412,266,636	₱40,841,840	₱58,124,696,023	₱80,577,804,499
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities	₱19,217,312	₱–	₱19,217,312	₱–	₱19,217,312
Liabilities for which fair values are disclosed					
Financial liabilities					
Time deposits	18,821,049,337	–	–	18,236,628,183	18,236,628,183
Bills payable	8,818,500,000	–	–	8,820,677,238	8,820,677,238
Subordinated debt	1,290,392,290	–	–	1,328,392,652	1,328,392,652
	₱28,949,158,939	₱–	₱19,217,312	₱28,385,698,073	₱28,404,915,385

December 31, 2024					
	Fair value				Total
	Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Carrying value					
Assets measured at fair value					
Financial assets					
Financial assets at FVTPL					
Debt securities	₱2,504,261,272	₱2,504,261,272	₱–	₱–	₱2,504,261,272
Derivative assets	17,547,010	–	17,547,010	–	17,547,010
Financial assets at FVOCI					
Government securities	13,392,092,394	13,392,092,394	–	–	13,392,092,394
Private debt securities	898,590,293	898,590,293	–	–	898,590,293
Quoted equity securities	8,761,382	8,761,382	–	–	8,761,382
Unquoted equity securities	23,431,714	–	–	23,431,714	23,431,714
	16,844,684,065	16,803,705,341	17,547,010	23,431,714	16,844,684,065

(Forward)

December 31, 2024					
	Fair value				Total
	Quoted prices in an active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Carrying value					
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost					
Government securities	₱13,957,535,243	₱13,911,980,095	₱–	₱–	₱13,911,980,095
Private debt securities	179,464,711	182,443,821	–	–	182,443,821
	14,136,999,954	14,094,423,916	–	–	14,094,423,916
Loans and receivables					
Receivables from customers					
Corporate lending	5,403,648,898	–	–	6,807,154,491	6,807,154,491
Commercial lending	4,528,531,943	–	–	4,450,245,815	4,450,245,815
Consumer lending	50,541,664,257	–	–	51,731,549,670	51,731,549,670
	60,473,845,098	–	–	62,988,949,976	62,988,949,976
Nonfinancial assets					
Investment properties	1,800,121,153	–	–	3,135,276,525	3,135,276,525
Total assets	₱93,255,650,270	₱30,898,129,257	₱17,547,010	₱66,147,658,215	₱97,063,334,482
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities	₱163,409,014	₱–	₱163,409,014	₱–	₱163,409,014
Liabilities for which fair values are disclosed					
Financial liabilities					
Time deposits	31,552,414,791	–	–	31,552,414,791	31,552,414,791
Bills payable	14,808,320,000	–	–	14,808,320,000	14,808,320,000
	₱46,524,143,805	₱–	₱163,409,014	₱46,360,734,791	₱46,524,143,805

In 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The methods and assumptions used by the Bank in estimating the fair value of the financial instruments are:

COCI, due from BSP and other banks and IBLR - The carrying amounts approximate fair values due to the short-term nature of these accounts. IBLR consists mostly of overnight deposits and floating rate placements.

Trading and investment securities - Fair values of debt securities and equity investments are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the fair value is determined in reference to interpolated Philippine Bloomberg Valuation (PH BVAL) reference rates provided by the Philippine Dealing and Exchange Corporation (PDEX). For equity investments that are not quoted, the investments are carried at cost less allowance for impairment losses due to the lack of suitable methods of arriving at a reliable fair value.

Derivative instruments - Fair values of derivative instruments, mainly forward foreign exchange contracts, are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique is forward pricing, which uses present value calculations. The model incorporates various inputs including the foreign exchange rates and interest rate curves prevailing at the reporting date.

Loans and receivables - Fair values of loans and receivables are estimated using the discounted cash flow methodology, using the Bank’s current lending rates for similar types of loans and receivables ranging from 1.3% to 27.30% in 2025 and 2024. Where the instrument reprices on a periodical basis or has a relatively short maturity, the carrying amounts approximated fair values.

Investment properties - The fair values of Bank’s investment properties have been determined by the appraisal method by independent external and in-house appraisers based on highest and best use of property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. Significant unobservable inputs in determining fair values include the following:

	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 for building and condominium for sale/lease and cost approach method for land improvements	Reproduction cost new

Significant Unobservable Inputs

Reproduction cost new	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time Element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors’ perceptions of the market over time. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

Liabilities - The fair values of liabilities approximate their carrying amounts due to either the demand nature or the relatively short-term maturities of these liabilities except for subordinated debt which fair values is estimated using the discounted cash flow methodology using the Bank’s incremental borrowing rates for similar borrowings ranging from 6.7 to 7.2% and 0.1% to 8.5% in 2025 and 2024 consecutively with maturities consistent with those remaining for the liability being valued.

6. Due from BSP, Due from Other Banks, and Interbank Loans Receivable

Due from BSP

This account represents overnight deposit facility (ODF), demand deposit facility (DDF) and term deposit facility (TDF) maintained by the Bank with the BSP. DDF are generally maintained to meet the regulatory reserve requirements while ODF and TDF are maintained to manage excess liquidity.

Peso-denominated and non-interest-bearing demand deposits are maintained to meet the regulatory reserve requirements of the BSP.

Due from Other Banks

Due from other banks represent demand deposits which are due on demand and earn annual interest of 0.04% % to 0.6% in 2025 and from 0.0% to 0.6% in 2024, respectively.

IBLR

This represents interbank loans to foreign and local banks with maturities of two months or less and placements with BSP under reverse repurchase facility (RRF).

As at December 31, 2025 and 2024, deposits with BSP under RRF included within interbank loans receivable amounts to ₱1.3 billion and ₱2.5 billion, and earns interest from 4.50% to 5.89% and from 2.6% to 6.4% with tenors of one to fourteen days in 2025 and one to four days in 2024.

7. Financial Assets at Fair Value Through Profit or Loss

This account consists of:

	2025	2024
Debt securities	₱712,485,686	₱2,504,261,272
Derivative assets (Note 17)	40,841,840	17,547,010
	₱753,327,526	₱2,521,808,282

As of December 31, 2025 and 2024, financial assets at FVTPL include net unrealized loss of ₱8.7 million and ₱15.0 million, respectively.

Nominal interest of debt securities ranges from 3.62% to 6.38% and from 2.38% to 8.63% in 2025 and 2024, respectively.

Interest income on financial assets at FVTPL amounted to ₱48.1 million and ₱68.7 million in 2025 and 2024, respectively.

8. Investment Securities

This account consists of:

	2025	2024
FVOCI		
Government securities	₱10,187,664,307	₱13,392,092,394
Private debt securities	468,579,816	898,590,293
	10,656,244,123	14,290,682,687
Quoted equity instruments	8,761,382	8,761,382
Unquoted equity instruments	23,431,714	23,431,714
	10,688,437,219	14,322,875,783
Amortized Cost		
Government securities	10,391,711,645	13,957,535,243
Private debt securities	616,099,967	183,579,943
	11,007,811,612	14,141,115,186
Allowance for credit losses	(4,140,250)	(4,115,232)
	11,003,671,362	14,136,999,954
Total	₱21,692,108,581	₱28,459,875,737

The movements in net unrealized gain (loss) on financial investments at FVOCI follow:

	2025	2024
Balance at beginning of year	(₱294,365,115)	(₱268,497,572)
Gains taken to profit and loss (Note 21)	(53,990,714)	(28,165,162)
Changes in fair value recognized in equity	57,334,506	3,328,180
Provision for expected credit losses	(133,040,793)	(9,653,075)
	(424,062,116)	(302,987,629)
Tax effect	32,424,250	8,622,514
Balance at end of year	(₱391,637,866)	(₱294,365,115)

Interest income from FVOCI investments in 2025 and 2024 amounted to ₱632.3 million and ₱642.4 million, respectively.

Peso-denominated financial instruments at FVOCI have effective interest rates ranging from 4.85% to 6.38% and from 2.38% to 8.00% in 2025 and 2024, respectively. Foreign currency-denominated financial instruments at FVOCI bear interest ranging from 3.54% to 5.55% and from 1.65% to 9.38% in 2025 and 2024, respectively.

Interest income from investment securities at amortized cost amounted to ₱589.0 million and ₱584.3 million in 2025 and 2024, respectively.

Peso-denominated bonds measured at amortized cost have effective interest rates ranging from 5.02% to 6.32% and from 3.38% to 6.88% in 2025 and 2024, respectively. Foreign currency-denominated bonds measured at amortized cost have effective interest rates ranging from 4.00% to 5.04% and from 3.18% to 5.75% in 2025 and 2024, respectively.

Movement of ECL on FVOCI during the year is presented in the table below (amounts in thousands):

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	₱4,672	₱—	₱—	₱4,672
New assets originated or purchased that remained at Stage 1 as at year-end	360,695	—	—	360,695
Transfers to Stage 2	(137,004)	137,004	—	—
Effect of collections and other movements in receivable balance	(227,288)	—	—	(227,288)
Balance at end of the year	₱1,075	₱137,004	₱—	₱138,079

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Balance at beginning of the year	₱4,659	₱—	₱—	₱4,659
New assets originated or purchased that remained at Stage 1 as at year-end	—	—	—	—
Effect of collections and other movements in receivable balance	13	—	—	13
Balance at end of the year	₱4,672	₱—	₱—	₱4,672

ECL on investments measured at amortized cost is classified under Stage 1 as of December 2025 and 2024. There were no transfers between stages for both 2025 and 2024.

9. Loans and Receivables

This account consists of:

	2025	2024
Receivables from customers:		
Corporate	₱4,222,789,097	₱6,711,649,269
Commercial	4,150,699,731	4,612,622,222
Consumer:		
Auto loans	28,500,820,736	32,212,779,952
Housing loans	16,463,715,067	17,685,076,941
Others	1,033,750,787	1,511,987,605
	54,371,775,418	62,734,115,989
Less: Unearned discounts and other deferred income	30,737,320	38,707,668
	54,341,038,098	62,695,408,321
Accounts receivable:		
Corporate (Note 28)	814,485,249	1,107,925,178
Individual	2,922,793	1,344,904
	817,408,042	1,109,270,082
Accrued interest receivable (Note 28)	825,605,854	955,847,635
Sales contract receivable:		
Corporate	587,138,749	267,981,576
Individual	35,746,347	26,610,497
	622,885,096	294,592,073
RCOCI	106,811	114,664
	56,607,043,901	65,055,232,775
Less: Allowance for credit losses	3,632,982,389	3,030,042,096
	₱52,974,061,512	₱62,025,190,679



Receivables from customers consist of:

	2025	2024
Loans and discounts	₱52,923,304,709	₱61,359,878,230
Restructured loans	979,847,631	878,893,938
Customers’ liabilities and other loans	403,319,430	458,127,548
Bills purchased (Note 16)	65,303,648	37,216,273
	₱54,371,775,418	₱62,734,115,989

Changes in the staging assessment of loans receivable are presented below (amounts in thousands):

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans				
Balance at beginning of the year	₱5,140,520	₱305,699	₱1,265,430	₱6,711,649
New assets originated or purchased that remained at Stage 1 as at year-end	1,172,552	–	–	1,172,552
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	131,543	385,892	517,435
Transfers to Stage 3	–	(316,507)	316,507	–
Write-offs	–	–	(172,930)	(172,930)
Effect of collections and other movements in receivable balance (excluding write-offs)	(3,830,736)	10,808	(185,989)	(4,005,917)
Balance at end of the year	₱2,482,336	₱131,543	₱1,608,910	₱4,222,789
Commercial loans				
Balance at beginning of the year	₱4,262,353	₱112,773	₱237,497	₱4,612,623
New assets originated or purchased that remained at Stage 1 as at year-end	2,898,336	–	–	2,898,336
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	68,105	93,250	161,355
Transfers to Stage 1	7,518	(7,518)	–	–
Transfers to Stage 2	(30,538)	30,538	–	–
Transfers to Stage 3	(30,858)	(3,729)	34,587	–
Write-offs	–	–	(100)	(100)
Effect of collections and other movements in receivable balance (excluding write-offs)	(3,262,350)	(101,222)	(157,942)	(3,521,514)
Balance at end of the year	₱3,844,461	₱98,947	₱207,292	₱4,150,700
Auto loans				
Balance at beginning of the year	₱29,399,905	₱1,963,639	₱849,235	₱32,212,779
New assets originated or purchased that remained at Stage 1 as at year-end	6,858,483	–	–	6,858,483
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	289,977	89,906	379,883
Transfers to Stage 1	388,154	(382,403)	(5,751)	–
Transfers to Stage 2	(1,219,470)	1,226,082	(6,612)	–
Transfers to Stage 3	(299,787)	(220,088)	519,875	–
Write-offs	–	–	(150,977)	(150,977)
Effect of collections and other movements in receivable balance (excluding write-offs)	(9,511,880)	(1,024,944)	(262,524)	(10,799,348)
Balance at end of the year	₱25,615,405	₱1,852,263	₱1,033,152	₱28,500,820
Housing loans				
Balance at beginning of the year	₱16,769,885	₱310,914	₱604,279	₱17,685,078
New assets originated or purchased that remained at Stage 1 as at year-end	1,324,073	–	–	1,324,073
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	37,781	7,804	45,585
Transfers to Stage 1	100,874	(96,238)	(4,636)	–
Transfers to Stage 2	(405,150)	422,988	(17,838)	–
Transfers to Stage 3	(208,342)	(30,185)	238,527	–
Write-offs	–	–	–	–
Effect of collections and other movements in receivable balance (excluding write-offs)	(1,971,309)	(113,700)	(506,011)	(2,591,020)
Balance at end of the year	₱15,610,031	₱531,560	₱322,125	₱16,463,716

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Others				
Balance at beginning of the year	₱1,470,424	₱19,524	₱22,040	₱1,511,988
New assets originated or purchased that remained at Stage 1 as at year-end	910,647	–	–	910,647
Newly originated assets that moved to Stages 2 and 3 at year-end	–	30,881	25,567	56,448
Transfers to Stage 1	240	(240)	–	–
Transfers to Stage 2	(1,443)	1,443	–	–
Transfers to Stage 3	(1,190)	–	1,190	–
Write-offs	–	–	(76,544)	(76,544)
Effect of collections and other movements in receivable balance (excluding write-offs)	(1,404,294)	(18,998)	54,504	(1,368,788)
Balance at end of the year	₱974,384	₱32,610	₱26,757	₱1,033,751
Total				
Balance at beginning of the year	₱57,043,087	₱2,712,549	₱2,978,481	₱62,734,117
New assets originated or purchased that remained at Stage 1 as at year-end	13,164,091	–	–	13,164,091
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	558,287	602,419	1,160,706
Transfers to Stage 1	496,786	(486,399)	(10,387)	–
Transfers to Stage 2	(1,656,601)	1,681,051	(24,450)	–
Transfers to Stage 3	(540,177)	(570,509)	1,110,686	–
Write-offs	–	–	(400,551)	(400,551)
Effect of collections and other movements in receivable balance (excluding write-offs)	(19,980,569)	(1,248,056)	(1,057,962)	(22,286,587)
Balance at end of the year	₱48,526,617	₱2,646,923	₱3,198,236	₱54,371,775

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans				
Balance at beginning of the year	₱8,048,363	₱438,103	₱1,170,169	₱9,656,635
New assets originated or purchased that remained at Stage 1 as at year-end	2,624,121	–	–	2,624,121
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	305,235	316	305,551
Transfers to Stage 1	2,653,303	(2,653,303)	–	–
Effect of collections and other movements in receivable balance (excluding write-offs)	(8,185,267)	2,215,664	94,945	(5,874,658)
Balance at end of the year	₱5,140,520	₱305,699	₱1,265,430	₱6,711,649
Commercial loans				
Balance at beginning of the year	₱3,688,379	₱43,673	₱543,931	₱4,275,983
New assets originated or purchased that remained at Stage 1 as at year-end	3,473,624	–	–	3,473,624
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	93,389	31,197	124,586
Transfers to Stage 2	(11,808)	11,808	–	–
Transfers to Stage 3	(39,884)	(13,909)	53,793	–
Effect of collections and other movements in receivable balance (excluding write-offs)	(2,847,958)	(22,188)	(391,424)	(3,261,570)
Balance at end of the year	₱4,262,353	₱112,773	₱237,497	₱4,612,623
Auto loans				
Balance at beginning of the year	₱22,294,027	₱1,372,237	₱808,243	₱24,474,507
New assets originated or purchased that remained at Stage 1 as at year-end	15,458,577	–	–	15,458,577
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	825,537	138,885	964,422
Transfers to Stage 1	276,016	(267,066)	(8,950)	–
Transfers to Stage 2	(930,184)	935,791	(5,607)	–
Transfers to Stage 3	(161,040)	(109,445)	270,485	–
Effect of collections and other movements in receivable balance (excluding write-offs)	(7,537,491)	(793,415)	(353,821)	(8,684,727)
Balance at end of the year	₱29,399,905	₱1,963,639	₱849,235	₱32,212,779



	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Housing loans				
Balance at beginning of the year	₱14,741,096	₱741,238	₱239,034	₱15,721,368
New assets originated or purchased that remained at Stage 1 as at year-end	3,421,167	–	–	3,421,167
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	59,213	37,153	96,366
Transfers to Stage 1	394,180	(381,030)	(13,150)	–
Transfers to Stage 2	(132,792)	132,792	–	–
Transfers to Stage 3	(94,226)	(60,015)	154,241	–
Effect of collections and other movements in receivable balance (excluding write-offs)	(1,559,540)	(181,284)	187,001	(1,553,823)
Balance at end of the year	₱16,769,885	₱310,914	₱604,279	₱17,685,078
Others				
Balance at beginning of the year	₱953,021	₱26,310	₱18,056	₱997,387
New assets originated or purchased that remained at Stage 1 as at year-end	606,698	–	–	606,698
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	1,716	2,131	3,847
Transfers to Stage 1	14	(14)	–	–
Transfers to Stage 2	(1,408)	1,408	–	–
Transfers to Stage 3	(2,001)	–	2,001	–
Write-offs	–	–	(67,574)	(67,574)
Effect of collections and other movements in receivable balance (excluding write-offs)	(85,900)	(9,896)	67,426	(28,370)
Balance at end of the year	₱1,470,424	₱19,524	₱22,040	₱1,511,988
Total				
Balance at beginning of the year	₱49,724,886	₱2,621,561	₱2,779,433	₱55,125,880
New assets originated or purchased that remained at Stage 1 as at year-end	25,584,187	–	–	25,584,187
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	1,285,090	209,682	1,494,772
Transfers to Stage 1	3,323,513	(3,301,413)	(22,100)	–
Transfers to Stage 2	(1,076,192)	1,081,799	(5,607)	–
Transfers to Stage 3	(297,151)	(183,369)	480,520	–
Write-offs	–	–	(67,574)	(67,574)
Effect of collections and other movements in receivable balance (excluding write-offs)	(20,216,156)	1,208,881	(395,873)	(19,403,148)
Balance at end of the year	₱57,043,087	₱2,712,549	2,978,481	₱62,734,117

Movement of ECL during the year is presented in the table below (amounts in thousands):

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans				
Balance at beginning of the year	₱17,362	₱99,209	₱1,285,159	₱1,401,730
New assets originated or purchased that remained at Stage 1 as at year-end	2,653	–	–	2,653
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	30,449	353,001	383,450
Transfers to Stage 3	–	(98,641)	98,641	–
Write-offs	–	–	(172,930)	(172,930)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(13,446)	(568)	(138)	(14,152)
Balance at end of the year	₱6,569	₱30,449	₱1,563,733	₱1,600,751
Commercial loans				
Balance at beginning of the year	₱10,368	₱9,086	₱237,954	₱257,408
New assets originated or purchased that remained at Stage 1 as at year-end	6,633	–	–	6,633
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	970	1,895	2,865
Transfers to Stage 1	2,506	(2,506)	–	–
Transfers to Stage 3	–	(128)	128	–
Write-offs	–	–	–	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(9,364)	(6,452)	(219,805)	(235,621)
Balance at end of the year	₱10,143	₱970	₱20,172	₱31,285

	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Auto loans				
Balance at beginning of the year	₱264,478	₱214,890	₱546,374	₱1,025,742
New assets originated or purchased that remained at Stage 1 as at year-end	182,775	–	–	182,775
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	35,901	31,460	67,361
Transfers to Stage 1	69,497	(17,128)	(52,369)	–
Transfers to Stage 2	(3,174)	30,581	(27,407)	–
Transfers to Stage 3	(7,976)	(29,407)	37,383	–
Write-offs	–	–	(147,430)	(147,430)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	148,891	(15,804)	154,549	287,636
Balance at end of the year	₱654,491	₱219,033	₱542,560	₱1,416,084
Housing loans				
Balance at beginning of the year	₱105,745	₱12,988	₱76,550	₱195,283
New assets originated or purchased that remained at Stage 1 as at year-end	10,897	–	–	10,897
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	2,230	2,259	4,489
Transfers to Stage 1	6,159	(1,634)	(4,525)	–
Transfers to Stage 2	(4,205)	11,368	(7,163)	–
Transfers to Stage 3	(1,244)	(2,285)	3,529	–
Write-offs	–	–	–	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(26,918)	(1,560)	23,005	(5,473)
Balance at end of the year	₱90,434	₱21,107	₱93,655	₱205,196
Others				
Balance at beginning of the year	₱69,232	₱7,671	₱15,523	₱92,426
New assets originated or purchased that remained at Stage 1 as at year-end	60,642	–	–	60,642
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	12,979	17,654	30,633
Transfers to Stage 1	56	(56)	–	–
Transfers to Stage 2	(192)	192	–	–
Transfers to Stage 3	(97)	–	97	–
Write-offs	–	–	(63,407)	(63,407)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(66,634)	(7,055)	48,846	(24,843)
Balance at end of the year	₱63,007	₱13,731	₱18,713	₱95,451
Total				
Balance at beginning of the year	₱467,185	₱343,844	₱2,161,560	₱2,972,589
New assets originated or purchased that remained at Stage 1 as at year-end	263,600	–	–	263,600
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	82,530	406,268	488,798
Transfers to Stage 1	78,217	(21,323)	(56,894)	–
Transfers to Stage 2	(7,571)	42,141	(34,570)	–
Transfers to Stage 3	(9,317)	(130,461)	139,778	–
Write-offs	–	–	(383,767)	(383,767)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	32,531	(31,440)	6,456	7,547
Balance at end of the year	₱824,645	₱285,291	₱2,238,831	₱3,348,767



	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans				
Balance at beginning of the year	₱26,793	₱90,548	₱1,181,078	₱1,298,419
New assets originated or purchased that remained at Stage 1 as at year-end	8,466	–	–	8,466
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	98,743	202	98,945
Transfers to Stage 1	12	(12)	–	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(17,909)	(90,070)	103,879	(4,100)
Balance at end of the year	₱17,362	₱99,209	₱1,285,159	₱1,401,730
Commercial loans				
Balance at beginning of the year	₱7,914	₱3,364	₱260,037	₱271,315
New assets originated or purchased that remained at Stage 1 as at year-end	9,611	–	–	9,611
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	5,957	610	6,567
Transfers to Stage 2	(623)	623	–	–
Transfers to Stage 3	(2,988)	(333)	3,321	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(3,546)	(525)	(26,014)	(30,085)
Balance at end of the year	₱10,368	₱9,086	₱237,954	₱257,408
Auto loans				
Balance at beginning of the year	₱324,571	₱142,797	₱495,811	₱963,179
New assets originated or purchased that remained at Stage 1 as at year-end	143,252	–	–	143,252
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	95,061	48,008	143,069
Transfers to Stage 1	7,889	(7,706)	(183)	–
Transfers to Stage 2	(100,017)	100,532	(515)	–
Transfers to Stage 3	(56,977)	(39,876)	96,853	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(54,240)	(75,918)	(93,600)	(223,758)
Balance at end of the year	₱264,478	₱214,890	₱546,374	₱1,025,742
Housing loans				
Balance at beginning of the year	₱111,638	₱36,287	₱73,772	₱221,697
New assets originated or purchased that remained at Stage 1 as at year-end	23,241	–	–	23,241
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	1,391	11,007	12,398
Transfers to Stage 1	5,248	(5,098)	(150)	–
Transfers to Stage 2	(5,967)	5,967	–	–
Transfers to Stage 3	(28,217)	(18,136)	46,353	–
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(198)	(7,423)	(54,432)	(62,053)
Balance at end of the year	₱105,745	₱12,988	₱76,550	₱195,283
Others				
Balance at beginning of the year	₱80,655	₱8,890	₱12,439	₱101,984
New assets originated or purchased that remained at Stage 1 as at year-end	7,693	–	–	7,693
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	309	1,936	2,245
Transfers to Stage 1	2	(2)	–	–
Transfers to Stage 2	(189)	189	–	–
Transfers to Stage 3	(1,890)	–	1,890	–
Write-offs	–	–	(67,574)	(67,574)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(17,039)	(1,715)	66,832	48,078
Balance at end of the year	₱69,232	₱7,671	₱15,523	₱92,426

	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Total				
Balance at beginning of the year	₱551,571	₱281,886	₱2,023,137	₱2,856,594
New assets originated or purchased that remained at Stage 1 as at year-end	192,263	–	–	192,263
Newly originated assets that moved to Stages 2 and 3 as at year-end	–	201,461	61,763	263,224
Transfers to Stage 1	13,151	(12,818)	(333)	–
Transfers to Stage 2	(106,796)	107,311	(515)	–
Transfers to Stage 3	(90,072)	(58,345)	148,417	–
Write-offs	–	–	(67,574)	(67,574)
Impact of transfers between stages and changes in assumptions, including effect of collections and other movements (excluding write-offs)	(92,932)	(175,651)	(3,335)	(271,918)
Balance at end of the year	₱467,185	₱343,844	₱2,161,560	₱2,972,589

As of December 31, 2025, allowance for credit losses on accounts receivable and sales contract receivable amounted to ₱125.6 million and ₱78.5 million, respectively. As of December 31, 2024, allowance for credit losses on accounts receivable and sales contract receivable amounted to ₱57.1 million and ₱0.4 million, respectively.

Interest income on loans and receivables consists of:

	2025	2024
Loans and discounts	₱4,917,480,300	₱4,769,375,913
Restructured loans	26,397,615	19,801,997
Customers’ liabilities and other loans	90,128	56,916,847
Sales contract receivable	13,079,281	3,520,117
	₱4,957,047,324	₱4,849,614,874

Of the total peso-denominated loans of the Bank as of December 31, 2025 and 2024, 81.2% and 81.9% respectively, are subject to periodic interest repricing. Remaining peso-denominated loans earned annual EIR ranging from 4.73% to 24.05% in 2025 and from 4.73% to 25.99% in 2024. All foreign currency-denominated loans of the Bank as of December 31, 2025 and 2024 are subject to periodic interest repricing and earned annual EIR ranging from 5.00% and from 5.00% to 6.62% for the years ended December 31, 2025 and 2024, respectively.

All sales contract receivable as of December 31, 2025 and 2024 are subject to periodic interest repricing.

Receivable from Philmay Property, Incorporated (PPI)

On September 15, 2009, the Bank entered into a Memorandum of Agreement (MOA) with Philmay Property, Inc. (PPI) covering a receivable that earned interest based on the one-month PH BVAL reference rate plus 1.00%, subject to monthly repricing. The receivable was initially secured by a US\$20.0 million time deposit under a hold-out agreement executed by the Parent Company (MBB). In 2022, the receivable was fully settled through a dacion en pago transaction involving transfer of real estate properties from PPI to the Bank.

On July 31, 2023, the Bank’s MBB’s Board of Directors approved a Hold-Out Agreement in favor of the Bank. The allocation of the hold-out was updated in September 2024 as follows: US\$13.0 million to cover potential losses, costs, and expenses arising from the PPI Dacion and USS\$7.0 million to cover exposures from other related party transactions and the required regulatory buffer.



As of December 31, 2024, total receivable from MBB related to the PPI Dacion amounted to ₱152.2 million and was settled in April 2025 (Note 28).

10. Property and Equipment

The composition of and movements in this account follow:

	December 31, 2025			
	Condominium Units	Furniture, Fixtures and Equipment	Leasehold Improvements	Total
Cost				
Balance at the beginning of year	₱262,553,193	₱822,321,699	₱636,881,368	₱1,721,756,260
Acquisitions	–	127,234,084	30,945,147	158,179,231
Disposals/write-off	–	(23,059,631)	–	(23,059,631)
Balance at end of the year	262,553,193	926,496,152	667,826,515	1,856,875,860
Accumulated depreciation				
Balance at beginning of year	218,040,511	671,265,925	538,285,556	1,427,591,992
Depreciation	6,141,244	61,334,262	19,786,442	87,261,948
Disposals/write-off	–	(15,489,431)	–	(15,489,431)
Balance at end of the year	224,181,755	717,110,756	558,071,998	1,499,364,509
Net book value	₱38,371,438	₱209,385,396	₱109,754,517	₱357,511,351

	December 31, 2024			
	Condominium Units	Furniture, Fixtures and Equipment	Leasehold Improvements	Total
Cost				
Balance at the beginning of year	₱262,553,193	₱799,343,291	₱637,937,621	₱1,699,834,105
Acquisitions	–	50,152,357	28,777,043	78,929,400
Disposals/write-off	–	(27,173,949)	(29,833,296)	(57,007,245)
Balance at end of the year	262,553,193	822,321,699	636,881,368	1,721,756,260
Accumulated depreciation				
Balance at beginning of year	211,899,265	636,218,965	547,278,760	1,395,396,990
Depreciation	6,141,246	62,195,517	21,088,091	89,424,854
Disposals/write-off	–	(27,148,557)	(30,081,295)	(57,229,852)
Balance at end of the year	218,040,511	671,265,925	538,285,556	1,427,591,992
Net book value	₱44,512,682	₱151,055,774	₱98,595,812	₱294,164,268

Depreciation and amortization consist of:

	2025	2024
Investment properties (Note 11)	₱167,217,192	₱159,908,609
Right-of-use assets (Note 24)	157,974,534	144,073,647
Property and equipment	87,261,948	89,424,854
Chattel properties acquired (Note 12)	97,945,826	141,424,169
Software costs (Note 12)	40,592,764	49,862,719
	₱550,992,264	₱584,693,998

As of December 31, 2025 and 2024, the cost of fully depreciated property and equipment still in use by the Bank amounted to ₱1.5 billion and ₱1.3 billion, respectively. Certain property and equipment were disposed in 2025 and 2024 which resulted in a net gain on disposal of ₱0.9 million and ₱1.3 million, respectively, and is presented under ‘Gain (loss) on sale of properties’ in the statements of income.

11. Investment Properties

The composition of and movements in this account follow:

	December 31, 2025		
	Land	Building	Total
Cost			
Balance at beginning of year	₱873,303,821	₱1,923,838,047	₱2,797,141,868
Additions (Note 30)	54,632,505	241,574,172	296,206,677
Disposals	(119,032,332)	(152,049,873)	(271,082,205)
Balance at end of year	808,903,994	2,013,362,346	2,822,266,340
Accumulated depreciation			
Balance at beginning of year	–	743,683,487	743,683,487
Depreciation (Note 10)	–	167,217,192	167,217,192
Disposals	–	(75,963,169)	(75,963,169)
Balance at end of year	–	834,937,510	834,937,510
Allowance for impairment losses			
Balance at beginning of year	83,056,099	170,281,129	253,337,228
Provisions (reversal of provisions)	(47,033,844)	78,677,004	31,643,160
Balance at end of year	36,022,255	248,958,133	284,980,388
Net book value at end of year	₱772,881,739	₱929,466,703	₱1,702,348,442

	December 31, 2024		
	Land	Building	Total
Cost			
Balance at beginning of year	₱960,878,010	₱1,732,906,699	₱2,693,784,709
Additions (Note 30)	78,945,191	277,832,906	356,778,097
Disposals	(166,519,380)	(86,901,558)	(253,420,938)
Balance at end of year	873,303,821	1,923,838,047	2,797,141,868
Accumulated depreciation			
Balance at beginning of year	–	601,350,243	601,350,243
Depreciation (Note 10)	–	159,908,609	159,908,609
Disposals	–	(17,575,365)	(17,575,365)
Balance at end of year	–	743,683,487	743,683,487
Allowance for impairment losses			
Balance at beginning of year	11,954,126	3,485,921	15,440,047
Provisions (reversals)	71,101,973	166,795,208	237,897,181
Balance at end of year	83,056,099	170,281,129	253,337,228
Net book value at end of year	₱790,247,722	₱1,009,873,431	₱1,800,121,153

Annually, management reviews the recoverable amount of investment properties. Several factors are considered such as real estate prices and physical condition of properties. The fair values of the investment properties as of December 31, 2025 and 2024 amounted to ₱3.1 billion as determined by independent and/or in-house appraisers (see Note 5).

Direct operating expenses, included in the 'Litigation and assets acquired expenses' in the statements of income, arising from investment properties amounted to ₱84.7 million and ₱137.9 million for the years ended December 31, 2025 and 2024, respectively.

12. Other Assets

This account consists of:

	2025	2024
Chattel properties acquired	₱180,623,597	₱305,217,377
Capital expenditures in progress	136,320,059	94,389,359
Advance rental and security deposits	104,995,685	149,223,427
Prepaid expenses	66,897,501	111,085,905
Software costs	64,644,334	86,649,988
Documentary stamps	23,846,034	39,557,576
Digital wallet	23,216,093	22,526,620
Creditable withholding tax	19,512,551	12,965,421
Supplies on hand	9,351,143	9,836,635
Miscellaneous	21,988,634	45,451,466
	₱651,395,631	₱876,903,774

Allowance for impairment loss on other miscellaneous assets amounted to ₱2.3 million and ₱4.8 million as of December 31, 2025 and 2024.

Movements in chattel properties acquired follow:

	2025	2024
Cost		
Balances at beginning of year	₱368,054,704	₱273,592,929
Additions (Note 30)	1,301,177,053	1,087,354,583
Disposals	(1,433,411,651)	(992,892,808)
Balances at end of year	235,820,106	368,054,704
Accumulated Depreciation		
Balances at beginning of year	51,817,946	43,916,344
Depreciation (Note 10)	97,945,826	141,424,169
Disposals	(108,988,638)	(133,522,567)
Balances at end of year	40,775,134	51,817,946
Accumulated Impairment Loss		
Balances at beginning of year	11,019,381	2,444,485
Provisions	56,430,842	10,631,931
Disposals	(53,028,848)	(2,057,035)
Balances at end of year	14,421,375	11,019,381
Net Book Value at end of year	₱180,623,597	₱305,217,377

Movements in software costs follow:

	2025	2024
Cost		
Balances at beginning of year	₱487,995,934	₱459,936,554
Reclassification	25,227,093	—
Additions	4,998,980	28,059,380
Balances at end of year	518,222,007	487,995,934
Accumulated Depreciation		
Balances at beginning of year	401,345,946	351,483,227
Reclassification	11,638,963	—
Amortization (Note 10)	40,592,764	49,862,719
Balances at end of year	453,577,673	401,345,946
Net Book Value at end of year	₱64,644,334	₱86,649,988

As of December 31, 2025 and 2024, the cost of fully depreciated software still in use by the Bank amounted to ₱373.6 million and ₱296.5 million, respectively.

13. Deposit Liabilities

As of December 31, 2025 and 2024, non-FCDU deposit liabilities of the Bank and deposit substitutes are subject to required reserves of 5.0% and 7.0%, respectively. The required reserves can be kept in the form of deposits maintained in the demand deposit accounts with the BSP and any government securities used as compliance until they mature.

As of December 31, 2025 and 2024, the total statutory and liquidity reserves (under 'Due from BSP' account) as reported to the BSP amounted to ₱3.4 billion and ₱4.9 billion, respectively.

Interest expense on deposit liabilities consists of:

	2025	2024
Time	₱1,563,746,747	₱2,070,240,355
Demand	156,778,502	91,333,064
Savings	60,105,147	57,702,159
	₱1,780,630,396	₱2,219,275,578

Peso-denominated deposit liabilities bear annual fixed interest rates ranging from 0.13% to 5.76% and from 0.13% to 8.50% for the years ended December 31, 2025 and 2024, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.01% to 4.33% and from 0.01% to 6.15% for the years ended December 31, 2025 and 2024, respectively.

14. Bills Payable

This account consists of unsecured borrowings from the Parent Company (see Note 28) amounting to ₱8.8 billion and ₱14.8 billion as of December 31, 2025 and 2024, respectively.

Dollar-denominated borrowings are subject to annual EIR ranging from 3.8% to 5.05% and from 4.8% to 5.8% for the years ended December 31, 2025 and 2024, respectively.



In 2025 and 2024, the Bank recognized interest expense amounting to ₱497.8 million and ₱525.0 million, respectively. The terms of the borrowings range from 1 to 90 days and from 1 to 3 days in 2025 and 2024, respectively.

15. Accrued Interest, Taxes and Other Expenses

This account consists of:

	2025	2024
Accrued employee benefits	₱295,437,268	₱317,503,794
Accrued interest payable (Note 28)	167,124,082	157,611,862
Accrued taxes and licenses	136,727,768	81,459,130
Accrued rent	14,379,776	9,972,495
Accrued other expenses (Note 28)	325,777,416	260,631,316
	₱939,446,310	₱827,178,597

Accrued other expenses include accrual for various administrative expenses, professional fees, information technology expenses and other provisions.

16. Other Liabilities

This account consists of:

	2025	2024
Accounts payable	₱766,776,399	₱4,471,390,869
Net pension liability (Note 20)	387,169,618	363,158,054
Unearned bancassurance income (Note 28)	333,333,334	366,666,667
Bills purchased - contra (Note 9)	65,303,648	37,216,273
Due to the Treasurer of the Philippines	64,801,111	37,842,667
Withholding taxes payable	54,560,783	157,969,471
Outstanding acceptances	53,745,659	8,720,712
Unclaimed balances	41,308,885	39,912,982
Allowance for credit losses on off-balance sheet exposures	30,680,020	34,668,343
Other dormant credits	23,535,501	26,835,555
Miscellaneous	170,164,236	86,236,480
	₱1,991,379,194	₱5,630,618,073

Accounts payable mainly refers to other obligations of the Bank under open account arrangement such as deposits made by customers for various expenses in connection with pending loan applications, indebtedness of closed accounts pending claim from depositors or heirs, and payables to various suppliers.

17. Derivative Financial Instruments

As of December 31, 2025 and 2024, the Bank’s derivative financial instruments represent interest rate swaps and currency forwards used by the Bank to manage exposures arising from changes in interest rates and foreign exchange rates.

The table sets out the information about the Bank’s derivative financial instruments and the related fair values, together with the notional amounts:

	December 31, 2025			December 31, 2024		
	Notional Amount	Derivative Asset	Derivative Liability	Notional Amount	Derivative Asset	Derivative Liability
Forward contracts	US\$367,843,992	₱25,453,516	₱19,217,312	US\$416,084,055	₱1,574,745	₱163,409,014
Cross-currency interest rate swap	1,700,000	15,388,324	—	2,200,000	15,972,265	—
		₱40,841,840	₱19,217,312		₱17,547,010	₱163,409,014

Interest income from derivatives in 2025 and 2024 amounted to ₱4.2 million and ₱3.4 million, respectively. Interest expense on derivatives in 2025 and 2024 amounted to ₱1.9 million and ₱3.4 million, respectively.

The movements in the Bank’s derivative financial instruments follow:

	2025	2024
Derivative Assets		
Balance at beginning of year	₱17,547,010	₱18,053,470
Changes in fair value (Note 21)	(17,600,399)	(38,211,876)
Net addition (settlement)	40,895,229	37,705,416
Balance at end of year	40,841,840	17,547,010
Derivative Liabilities		
Balance at beginning of year	163,409,014	83,137,059
Changes in fair value (Note 21)	(1,516,309)	4,089,588
Net addition (settlement)	(142,675,393)	76,182,367
Balance at end of year	₱19,217,312	₱163,409,014

18. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	2025			2024		
	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year	Total
Financial assets						
Cash and other cash items	₱2,183,044,358	₱—	₱2,183,044,358	₱1,956,185,744	₱—	₱1,956,185,744
Due from BSP	3,661,230,719	—	3,661,230,719	8,084,429,325	—	8,084,429,325
Due from other banks	6,639,098,679	—	6,639,098,679	508,236,828	—	508,236,828
Interbank loans receivable	1,300,000,000	—	1,300,000,000	2,529,840,390	—	2,529,840,390
Financial assets at FVTPL						
Government securities	712,485,687	—	712,485,687	2,504,261,272	—	2,504,261,272
Derivative assets	34,116,518	6,725,322	40,841,840	6,825,265	10,721,745	17,547,010
	14,529,975,961	6,725,322	14,536,701,283	15,589,778,824	10,721,745	15,600,500,569
Financial assets at FVOCI						
Government securities	4,212,527,646	5,975,136,660	10,187,664,306	7,506,496,253	5,885,596,141	13,392,092,394
Private debt securities	—	468,579,816	468,579,816	35,956,484	862,633,808	898,590,292
Equity securities						
Quoted equity instruments	—	8,761,382	8,761,382	—	8,761,382	8,761,382
Unquoted equity instruments	—	23,431,714	23,431,714	—	23,431,714	23,431,714
	4,212,527,646	6,475,909,572	10,688,437,218	7,542,452,737	6,780,423,045	14,322,875,782
Investment securities at amortized cost						
Government securities	6,386,592,871	4,005,118,774	10,391,711,645	8,986,936,615	4,970,598,628	13,957,535,243
Private debt securities	616,099,967	—	616,099,967	155,379,975	28,199,968	183,579,943
	7,002,692,838	4,005,118,774	11,007,811,612	9,142,316,590	4,998,798,596	14,141,115,186
Loans and receivables						
Receivables from customers						
Corporate	2,281,106,176	1,941,682,921	4,222,789,097	5,106,780,838	1,604,868,431	6,711,649,269
Commercial	2,986,282,847	1,164,416,884	4,150,699,731	3,356,496,409	1,256,125,813	4,612,622,222

(Forward)



	2025			2024		
	Up to 1 year	Over 1 year	Total	Up to 1 year	Over 1 year	Total
Consumer						
Auto loans	₱1,163,116,460	₱27,337,704,275	₱28,500,820,735	₱1,556,480,379	₱30,656,299,573	₱32,212,779,952
Housing	76,818,440	16,386,896,627	16,463,715,067	94,430,073	17,590,646,868	17,685,076,941
Others	888,841,377	144,909,410	1,033,750,787	1,361,461,896	150,525,709	1,511,987,605
	7,396,165,300	46,975,610,117	54,371,775,417	11,475,649,595	51,258,466,394	62,734,115,989
Sales contract receivable						
Corporate	262,107,403	325,031,346	587,138,749	260,000,000	7,981,576	267,981,576
Individual	3,556,514	32,189,833	35,746,347	2,633,670	23,976,827	26,610,497
	265,663,917	357,221,179	622,885,096	262,633,670	31,958,403	294,592,073
Accounts receivable						
Corporate	393,495,579	420,989,670	814,485,249	311,780,800	348,968,808	660,749,608
Individual	2,846,554	76,239	2,922,793	18,143,760	430,376,713	448,520,473
	396,342,133	421,065,909	817,408,042	329,924,560	779,345,521	1,109,270,081
Accrued interest receivable	825,605,854	–	825,605,854	955,847,635	–	955,847,635
RCOCI	106,811	–	106,811	114,664	–	114,664
	825,712,665	–	825,712,665	955,962,299	–	955,962,299
	34,629,080,460	58,241,650,873	92,870,731,333	45,298,718,275	63,859,713,704	109,158,431,979
Nonfinancial assets						
Property and equipment	–	357,511,351	357,511,351	–	294,164,268	294,164,268
Right-of-use assets	–	711,109,264	711,109,264	–	634,319,519	634,319,519
Investment properties	–	1,702,348,442	1,702,348,442	–	1,800,121,153	1,800,121,153
Deferred tax assets	–	828,964,012	828,964,012	–	1,006,121,158	1,006,121,158
Other assets	–	651,395,631	651,395,631	–	876,903,774	876,903,774
	–	4,251,328,700	4,251,328,700	–	4,611,629,872	4,611,629,872
Less: Allowance for impairment and credit losses			(3,638,439,455)			(3,034,157,327)
Unearned discounts and other deferred income			(30,737,320)			(38,707,668)
Total Assets			₱93,452,883,258			₱110,697,196,857
Financial liabilities						
Deposit liabilities						
Demand	₱24,700,279,482	₱–	₱24,700,279,482	₱24,544,060,368	₱–	₱24,544,060,368
Savings	25,672,478,140	–	25,672,478,140	19,708,866,423	–	19,708,866,423
Time	16,012,975,968	2,808,073,369	18,821,049,337	31,349,791,107	202,623,684	31,552,414,791
	66,385,733,590	2,808,073,369	69,193,806,959	75,602,717,898	202,623,684	75,805,341,582
Derivative liabilities	19,217,312	–	19,217,312	163,409,014	–	163,409,014
Bills payable	8,818,500,000	–	8,818,500,000	14,808,320,000	–	14,808,320,000
Manager's checks	293,789,384	–	293,789,384	709,259,872	–	709,259,872
Accrued interest payable	167,124,082	–	167,124,082	157,611,862	–	157,611,862
Lease liabilities	141,648,325	668,237,421	809,885,746	471,696,671	284,311,542	756,008,213
Accounts payable	766,776,399	–	766,776,399	4,471,390,869	–	4,471,390,869
Subordinated debt	–	1,290,392,290	1,290,392,290	–	–	–
Due to Treasurer of the Philippines	–	64,801,111	64,801,111	–	37,842,667	37,842,667
	76,592,789,092	4,831,504,191	81,424,293,283	96,384,406,186	524,777,893	96,909,184,079
Nonfinancial liabilities						
Income tax payable	84,540,258	–	84,540,258	28,841,261	–	28,841,261
Accrued taxes and other expenses	772,322,228	–	772,322,228	669,566,735	–	669,566,735
Other liabilities	1,159,801,684	–	1,159,801,684	1,121,384,537	–	1,121,384,537
	2,016,664,170	–	2,016,664,170	1,819,792,533	–	1,819,792,533
	₱78,609,453,262	₱4,831,504,191	₱83,440,957,453	₱98,204,198,719	₱524,777,893	₱98,728,976,612

19. Capital Funds

The Bank’s capital stock as of December 31, 2025 and 2024 consists of:

	Shares	Amount
Common stock - ₱35.0 par value		
Authorized	473,366,128	₱16,567,814,480
Issued and outstanding	294,666,977	10,313,344,184
Balance at the beginning and end of the period	294,666,977	10,313,344,184
Preferred stock - ₱3.7 par value		
Authorized	295,000,000	1,091,500,000
Issued and outstanding	64,355,294	238,114,588
Balance at the beginning and end of the period, net of subscriptions receivable of ₱5,574,864	62,848,617	232,539,724
	357,515,594	₱10,545,883,908

Preferred shares of stock are cumulative with a guaranteed quarterly dividend of 2.50%, nonparticipating, nonvoting and with preference in asset distribution and payable in full at par plus accumulated dividends in case of dissolution or liquidation. Dividends are declared at the discretion of the BOD.

Preferred Series “A” and “B” shares of stock are redeemable at the option of the Bank at par value plus unpaid accumulated dividends after 15 years from date of issue. Where the Bank exercises the option to redeem the shares, the holder will have an option to convert to new preferred shares or certificate of indebtedness in lieu of redemption. Preferred Series “B” shares of stock included in the increase in capitalization authorized under the resolution passed by stockholders on October 20, 1962, are redeemable after 10 years from date of issue and convertible, at the option of the holder, into voting common shares of stock in lieu of redemption. Both Preferred Series “A” and “B” shares of stock were issued on October 1, 1961.

Preferred Series “C” shares of stock have preference in payment of dividends over other preferred or common shares which have unpaid accumulated and accrued dividends, and are convertible into voting common stock at the option of the holder thereof, provided that such conversion be made only after 7.5 years from date of issue. Preferred Series “C” shares of stock were issued on September 14, 1974.

As of December 31, 2025 and 2024, dividends in arrears on cumulative preferred shares amounted to ₱1.1 billion.

Treasury shares consist of 5,130 common shares, 38,000 Preferred Series “A” shares of stock and 17,150 Preferred Series “B” shares of stock, which are carried at cost.

Capital Management

The Bank manages its capital to ensure it complies with externally imposed capital requirements and maintains healthy capital ratios to support business growth and maximize shareholder value.

Surplus reserves

Surplus reserves of the Bank include reserve for trust business amounting to ₱46.0 million and ₱42.7 million as of December 31, 2025 and 2024, respectively. In compliance with existing BSP regulations, 10.00% of the net profits realized by the Bank from its trust business is appropriated to surplus reserve. The yearly appropriation is required until the surplus reserve for trust business equals 20.00% of the Bank’s regulatory capital.

Regulatory Qualifying Capital

BSP, as the Bank’s lead regulator, sets and monitors capital requirements. Under current banking regulations, the Bank’s compliance with regulatory requirements and ratios is based on the “unimpaired capital” (regulatory net worth) reported to the BSP, which is determined on the basis of regulatory policies, which differ from PFRS in some respects. Moreover, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than ten percent (10.00%). Qualifying capital and risk-weighted assets are computed based on BSP regulations. The Bank is also required to meet the minimum capital of ₱10.0 billion.

Effective January 1, 2014, the Bank complied with BSP 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 regulations also set 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 Capital Adequacy Ratio (CAR) remains unchanged at 10.00% and these ratios shall be maintained at all times.

The BSP prescribes certain sanctions for non-compliance with the minimum capital requirements depending on the degree of capital deficiency incurred by the Bank such as suspension of authority to invest in allied undertakings, branching privileges and declaration of dividends, among others.

On June 27, 2014, the BSP issued Circular No. 839, Real Estate Stress Test (REST) Limit for Real Estate Exposures which provides the implementing guidelines on the prudential REST limit for universal, commercial, and thrift banks on their aggregate real estate exposures. The Bank should maintain CET1 and CAR levels at the regulatory prescribed minimums, on a solo and consolidated basis, even after the simulated results of a 25.00% write-off to the Bank’s real estate exposures. These shall be complied with at all times.

The table below summarizes the CAR of the Bank as reported to the BSP as of December 31, 2025 and 2024 (amounts in millions):

	2025	2024
Net Tier 1/CET 1 Capital	₱8,035	₱10,406
Tier 2 capital	1,866	453
Total Qualifying Capital	₱9,901	₱10,859
Credit Risk-Weighted Assets	₱57,297	₱65,489
Market Risk-Weighted Assets	617	429
Operational Risk-Weighted Assets	8,380	8,677
Total Risk-Weighted Assets	₱66,294	₱74,595
CET1 Ratio	12.12%	13.95%
Tier 1 capital ratio	12.12%	13.95%
Total capital ratio	14.93%	14.56%

The qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations.

Under Basel III, the regulatory Gross Qualifying Capital of the Bank consists of Tier 1 (core), composed of Common Equity Tier 1 and Additional Tier 1, and Tier 2 (supplementary) capital. Tier 1 capital comprises share capital, retained earnings (including current year profit) and non-controlling interest less required deductions such as deferred income tax and unsecured credit accommodations to DOSRI. Tier 2 capital includes unsecured subordinated debts, revaluation reserves and general loan loss provision.

Risk-weighted assets are determined by assigning defined risk weights to the statements of financial position exposure and to the credit equivalent amounts of off-balance sheet exposures. Certain items are deducted from risk-weighted assets, such as the excess of general loan loss provision over the amount permitted to be included in Tier 2 capital. The risk weights vary from 0.00% to 150.00% depending on the type of exposure, with the risk weights of off-balance sheet exposures being subjected further to credit conversion factors.

Below is a summary of risk weights and selected exposure types:

Risk weight	Exposure/Asset type*
0.00%	Cash on hand; claims collateralized by securities issued by the national government, BSP; loans covered by the Trade and Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20.00%	COCI, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50.00%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75.00%	Direct loans of defined Small Medium Enterprise (SME) and microfinance loans portfolio; nonperforming housing loans fully secured by first mortgage
100.00%	All other assets (e.g., real estate assets) excluding those deducted from capital (e.g., deferred income tax)
150.00%	All nonperforming loans (except nonperforming housing loans fully secured by first mortgage) and all nonperforming debt securities

* Not all inclusive

With respect to off-balance sheet exposures, the exposure amount is multiplied by a credit conversion factor (CCF), ranging from 0.00% to 100.00%, to arrive at the credit equivalent amount, before the risk weight factor is multiplied to arrive at the risk-weighted exposure. Direct credit substitutes (e.g., guarantees) have a CCF of 100.00%, while items not involving credit risk have a CCF of 0.00%.

In the case of derivatives, the credit equivalent amount (against which the risk weight factor is multiplied to arrive at the risk-weighted exposure) is generally the sum of the current credit exposure or replacement cost (the positive fair value or zero if the fair value is negative or zero) and an estimate of the potential future credit exposure or add-on. The add-on ranges from 0.00% to 1.50% (interest rate-related) and from 1.00% to 7.50% (exchange rate-related), depending on the residual maturity of the contract. For credit-linked notes and similar instruments, the risk-weighted exposure is the higher of the exposure based on the risk weight of the issuer’s collateral or the reference entity or entities.

The risk-weighted CAR is calculated by dividing the sum of its Tier 1 and Tier 2 capital, as defined under BSP regulations, by its risk-weighted assets. The risk-weighted assets, as defined by the BSP regulations, consist of all of the assets on the statement of financial position at their respective book values, together with certain other off-balance sheet items, weighted by certain percentages depending on the risks associated with the type of assets. The determination of compliance with regulatory requirements and ratios is based on the amount of the Bank’s ‘unimpaired capital’ (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting practices which differ from PFRS in some respects.

As of December 31, 2025 and 2024, the Bank has complied with the CAR requirement of the BSP.

Internal Capital Adequacy Assessment Process (ICAAP)

In 2009, the BSP issued Circular No. 639 covering the ICAAP which supplements the BSP’s risk-based capital adequacy framework under BSP Circular No. 538. The Bank has a Board-approved ICAAP Framework with areas that cover Capital Management, Pillar 1 and Pillar 2 Risk Measurement, Minimum Internal Capital Requirement Calculation, Use of the ICAAP, Governance Structure, and Reporting Framework. The Bank complies with the required annual submission of updated ICAAP.

Leverage Ratio

On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio (BLR) in the Philippines. The BLR is designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. The BLR intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based “backstop” measure. The BLR is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the BLR 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 millions).

	2025	2024
Tier 1 Capital	₱8,035	₱10,406
Exposure Measure	99,298	117,191
Leverage Ratio	8.09%	8.88%

Liquidity Coverage Ratio

On February 18, 2016, the BSP issued Circular No. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR), and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III’s Liquidity Coverage Ratio (LCR) aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress.

As of December 31, 2025 and 2024, the LCR of the Bank as reported to the BSP in single currency is 141.38% and 120.03%, respectively.

Net Stable Funding Ratio

On June 6, 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 III’s NSFR aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. Banks shall maintain an NSFR of at least 100 percent (100%) at all times. 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 119.07% and 111.38%, respectively.

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 Bank has complied with all externally imposed capital requirement throughout the period.

20. Retirement Plan

The Bank has a funded noncontributory defined benefit retirement plan (the Plan) covering substantially all of its officers and regular employees. Under the Plan, all covered officers and employees are entitled to cash benefits based on the employee’s final plan salary and years of service. The Bank’s retirement plan is in the form of a trust administered by the Bank’s Trust Department under the supervision of the Staff Committee.

Under the existing regulatory framework, RA No. 7641 requires companies with at least ten (10) employees to pay retirement benefits to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The net pension liability included in ‘Other liabilities’ in the statements of financial position is as follows:

	2025	2024
Present value of the defined benefit obligation	₱663,064,833	₱622,367,638
Fair value of plan assets	(275,895,215)	(259,209,584)
Net pension liability	₱387,169,618	₱363,158,054

Changes in the present value of the defined benefit obligation as of December 31, 2025 and 2024 recognized in the statements of financial position follow:

	2025	2024
Balance at beginning of year	₱622,367,638	₱623,168,841
Current service cost	73,963,533	74,360,248
Interest cost	38,088,899	37,639,398
Remeasurement loss (gain):		
Actuarial loss (gain) arising from experience adjustments	20,742,354	(26,157,246)
Actuarial gain arising from changes in financial assumptions	(2,242,444)	(3,468,694)
Benefits paid	(89,855,147)	(83,174,909)
Balance at end of year	₱663,064,833	₱622,367,638

Changes in fair value of plan assets are as follows:

	2025	2024
Balance at beginning of year	₱259,209,584	₱245,223,269
Contributions	96,746,639	97,188,161
Interest income	15,863,627	14,811,485
Remeasurement loss	(6,069,488)	(14,838,422)
Benefits paid	(89,855,147)	(83,174,909)
Balance at end of year	₱275,895,215	₱259,209,584

The fair value of plan assets by each class is as follows:

	2025	2024
Cash and cash equivalents	₱4,812,119	₱14,705,111
Accrued interest and other receivables	3,171,941	2,858,993
Debt instruments		
Government securities	267,638,453	239,890,128
Private securities	845,760	2,106,004
Liabilities	(573,058)	(350,652)
Fair value of plan assets	₱275,895,215	₱259,209,584

The Bank's plan assets are carried at fair value. All equity and debt instruments held have quoted prices in active market. The fair value of cash and cash equivalents, accrued interest and other receivables approximates their carrying amount due to the short-term nature of these accounts.

The Bank performs an asset-liability matching assessment of its defined benefit plan and reviews the portfolio mix as necessary. If there are changes in the portfolio mix, this shall be approved by the Staff Committee.

The Bank expects to contribute ₱100.3 million to the plan in 2026.

The cost of defined benefit retirement plans as well as the present value of the benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used are shown below:

	2025	2024
Discount rate		
At January 1	6.12%	6.04%
At December 31	6.17%	6.12%
Future salary increase rate	4.50%	4.50%
Average remaining working life	6	6

The sensitivity analysis below has been determined based on 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.

	2025	2024
Increase in discount rate by 1.00%	(₱42,258,953)	(₱40,730,872)
Decrease in discount rate by 1.00%	47,300,465	45,680,670
Increase in salary increase rate by 1.00%	47,858,342	46,315,897
Decrease in salary increase rate by 1.00%	(44,198,344)	(43,062,546)

The amounts included in 'Compensation and fringe benefits' expense in the statements of income are as follows:

	2025	2024
Current service cost	₱73,963,533	₱74,360,248
Net interest cost	22,225,272	22,827,913
Expense recognized during the year	₱96,188,805	₱97,188,161

The Bank also has a defined contribution plan for certain employees. The pension expense recognized under this plan amounting to ₱27.2 million and ₱26.6 million for the years ended December 31, 2025 and 2024, respectively, is included in 'Compensation and fringe benefits' in the statements of income.

The average duration of the retirement liability is 13 years and 17 years as of December 31, 2025 and 2024, respectively. Maturity analysis of the undiscounted benefit payments follows:

	2025	2024
Less than one year	₱74,267,335	₱73,184,210
More than one to five years	393,405,201	463,192,235
More than five to 10 years	603,138,895	576,757,238
More than 10 to 15 years	548,145,768	539,470,243
More than 15 to 20 years	423,668,490	324,516,701
More than 20 years	649,674,585	636,048,534

21. Trading Gains - net

This account consists of trading gains (losses) from the following financial assets:

	2025	2024
Financial instruments at FVTPL:		
Debt securities	₱107,034,850	₱94,709,902
Derivatives	(19,116,709)	(34,122,289)
Financial assets at FVOCI (Note 8)	53,990,714	28,165,162
	₱141,908,855	₱88,752,775

22. Service Charges, Fees and Commissions

This account consists of:

	2025	2024
Credit-related (Note 28)	₱468,916,672	₱511,343,494
Deposit-related	68,919,942	69,005,155
Bancassurance fees (Note 28)	64,694,752	66,198,260
Others	28,570,525	81,333,075
	₱631,101,891	₱727,879,984

Credit-related service fees are generated from the lending businesses of the Bank. Others include securities brokerage fees.

23. Miscellaneous Income and Expenses

Miscellaneous income consists of:

	2025	2024
Processing fee	₱42,851,196	₱59,406,319
Trust fees (Note 28)	27,621,128	25,129,262
Recovery on written-off accounts	25,319,784	27,681,448
Rental income	3,631,173	940,342
Others	17,368,147	11,115,843
	₱116,791,428	₱124,273,214

Others include miscellaneous income from penalties, inspection and appraisal fees on charged off assets.

Miscellaneous expense consists of:

	2025	2024
Outsourced services	₱191,657,266	₱260,884,556
Cards-related expenses	137,922,341	138,176,954
Membership fees and dues	41,020,198	33,564,602
Repairs and maintenance	40,998,780	22,282,386
Banking fees	32,661,655	30,060,937
Commissions and service charges	23,384,291	42,858,564
Advertising and publications	14,744,508	45,328,655
Freight	8,455,987	23,909,425
Fuel and lubricants	3,617,066	1,430,815
Philippine Clearing House Corporation fees	1,407,928	1,415,680
Others	87,364,467	41,347,641
	₱583,234,487	₱641,260,215

Cards-related expenses include costs relating to credit cards business of the Bank, settlement expenses, and credit investigation expenses.

Others include provisions, periodicals, various office supplies, registration fees for various seminars, donations, and charitable contributions.

24. Lease Contracts

The rollforward analysis of right-of-use assets follows:

	2025	2024
Right-of-use assets, beginning balance	₱634,319,519	₱567,834,390
Additions	234,764,279	210,558,776
Depreciation (Note 10)	(157,974,534)	(144,073,647)
Right-of-use assets, ending balance	₱711,109,264	₱634,319,519

Set out below are the amounts recognized in the statement of income:

	2025	2024
Depreciation expense of right-of-use assets (Note 10)	₱157,974,534	₱144,073,647
Interest expense on lease liabilities	70,961,948	62,662,384
Rent expense - short-term leases and leases of low-value assets	65,026,542	89,060,732
Total amounts recognized in statement of income	₱293,963,024	₱295,796,763

The Bank entered into lease agreements with third parties.

The rollforward analysis of lease liabilities follows:

	2025	2024
Lease liabilities, beginning	₱756,008,213	₱722,844,118
Payments	(252,279,499)	(241,524,070)
Interest expense	70,961,948	62,662,384
Net additions	235,195,084	212,025,781
Lease liabilities, ending	₱809,885,746	₱756,008,213

Shown below is the maturity analysis of the undiscounted lease payments:

	2025	2024
Within one year	₱240,888,829	₱204,100,229
More than 1 year to 2 years	223,065,952	140,227,242
More than 2 years to 3 years	205,056,381	116,968,963
More than 3 years to 5 years	514,482,528	158,154,494
More than 5 years	411,997,370	412,371,228
	₱1,595,491,060	₱1,031,822,156

The Bank leases the premises occupied by its head office and branches for periods ranging from 2 to 25 years and are renewable upon mutual agreement of both parties under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00%.

25. Income and Other Taxes

Under Philippine tax laws, the Bank is subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of documentary stamp tax and gross receipts tax (GRT).

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.

RA No. 9337, An Act Amending the National Internal Revenue Code, provides that the RCIT rate shall be 30.00% and interest expense allowed as deductible expense shall be reduced by 33.00% of the interest income subject to final income tax.

An MCIT of 2.00% on modified gross income is computed and compared with the RCIT. Any excess of 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, NOLCO is allowed as a deduction from taxable income in the next three years from the date of inception.

Pursuant to Republic Act No. 9294, income derived by the FCDU from foreign currency transactions with nonresidents, offshore banking units (OBUs), and local commercial banks, including branches of foreign banks authorized by the Bangko Sentral ng Pilipinas (BSP) to transact with FCDUs and other depository banks under the expanded foreign currency deposit system, is exempt from income tax.

Interest income on foreign currency-denominated loans to residents, other than OBUs or other depository banks under the expanded system, is subject to a 10.00% gross income tax. Interest income on deposit placements with other FCDUs and OBUs is subject to final tax at rates ranging from 7.50% to 15.00%.

All other income of the FCDU is subject to the applicable corporate income tax rate of 25.00% (or 20.00% for qualified corporations) under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

Provision for income tax consists of:

	2025	2024
Current:		
Final	₱225,736,152	₱289,884,398
MCIT	85,555,735	64,313,741
	311,291,887	354,198,139
Deferred	177,157,147	113,724,180
	₱488,449,034	₱467,922,319

The details of net deferred tax assets follow:

	2025	2024
Deferred tax asset on:		
Allowance for impairment and credit losses	₱561,853,858	₱727,119,472
Accumulated depreciation on investment and chattel properties	218,928,161	198,875,358
Provisions and accruals	84,696,064	142,078,081
Retirement liability and unamortized past service cost	117,619,918	105,127,494
Lease liability net of right-of-use assets	24,694,120	30,422,173
Unrealized foreign exchange loss	9,420,096	—
Fair value loss on HFT investments	6,700,112	3,783,009
Fair value loss on FVOCI investments	898,129	3,352,048
Excess of MCIT over RCIT	—	140,593,686
	1,024,810,458	1,351,351,321
Deferred tax liability on:		
Fair value of investment properties and chattel properties	195,846,446	212,013,999
Unrealized foreign exchange gain	—	133,216,164
	195,846,446	345,230,163
	₱828,964,012	₱1,006,121,158

As of December 31, 2025 and 2024, the Bank did not recognize deferred tax assets on the following unused tax losses and temporary differences since the management believes that it is not probable that the related tax benefits will be realized in the future.

	2025	2024
NOLCO	₱3,700,421,491	₱2,874,334,723
Allowance for impairment and credit losses	1,591,936,716	2,768,151
Excess of MCIT over RCIT	182,903,991	—
	₱5,475,262,198	₱2,877,102,874

The Bank's excess MCIT over RCIT which can be utilized against annual income tax payable are as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱35,820,153	₱35,820,153	₱—	2025
2023	40,459,792	—	40,459,792	2026
2024	64,372,322	—	64,372,322	2027
2025	78,071,877	—	78,071,877	2028
	₱218,724,144	₱35,820,153	₱182,903,991	

The Bank's NOLCO with its corresponding year of expiry are as follows:

Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱9,621,088	₱9,621,088	₱—	2025
2023	1,342,796,335	—	1,342,796,335	2026
2024	1,521,917,300	—	1,521,917,300	2027
2025	835,707,856	—	835,707,856	2028
	₱3,710,042,579	₱9,621,088	₱3,700,421,491	

Reconciliation between the statutory income tax and the effective income tax follows:

	2025	2024
Statutory income tax	(25.00%)	(25.00%)
Tax effects of:		
Tax-exempt income and income subjected to final tax	(20.93%)	(219.11%)
Nondeductible expenses	5.51%	100.37%
Change in unrecognized deferred tax assets	77.52%	77.93%
FCDU income before income tax	(0.88%)	(26.88%)
Effective income tax	36.23%	92.69%

26. Trust Operations

Securities and other properties (other than deposits) held by the Bank in fiduciary or agency capacities for clients and beneficiaries are not included in the accompanying statements of financial position since these are not assets of the Bank.



In connection with the trust business of the Bank, government securities with total face value of ₱126.0 million and ₱141.0 million as of December 31, 2025 and 2024, respectively, under ‘Investment Securities at Amortized Cost’ account are deposited with the BSP in compliance with the requirements of the General Banking Law.

27. Commitments and Contingent Liabilities

In the normal course of the Bank’s operations, there are outstanding commitments and other contingent liabilities which are not reflected in the accompanying financial statements. The Bank does not anticipate material losses from these commitments and contingent liabilities.

28. 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 or if they are subject to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities.

The Bank has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

Transactions with Retirement Plan

The retirement fund of the Bank’s employees with fair value amounting to ₱275.9 million and ₱259.2 million as of December 31, 2025 and 2024, respectively, is being managed by the Bank’s Trust Department. The transaction was made substantially on the same terms as with other individuals and businesses of comparable risks. Other than deposits with the Bank and trust fees, there were no other material transactions between the retirement fund and the Bank in 2025 and 2024. Deposits with the Bank amounted ₱4.8 million and ₱14.7 million in December 31, 2025 and 2024, respectively. The Bank earned ₱2.5 million and ₱2.2 million of trust fees for the years ended December 31, 2025 and 2024, respectively.

Refer to Note 20 for the details of the assets and investments of the retirement fund. The retirement fund of the Bank does not have investments in the shares of stock of the Bank.

Remuneration of Directors and Other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Management Committee to constitute key management personnel for purposes of PAS 24.

Compensation of key management personnel included under ‘Compensation and fringe benefits’ in the statements of income follows:

	2025	2024
Salaries and other short-term benefits	₱115,054,108	₱112,194,009
Post-employment benefits	9,559,295	9,658,612
	₱124,613,403	₱121,852,621

Other Related Party Transactions

Other related party transactions entered in the normal course of business were primarily regular banking transactions. The Bank settles its related party transactions in cash. The significant year-end account balances with respect to related parties included in the financial statements follow:

	Outstanding Balance /Volume		Nature, Terms and Conditions
	2025	2024	
Parent Company			
Due from other banks	₱45,923,220	₱52,092,610	Foreign currency demand deposit accounts, non-interest bearing and no impairment
Accounts receivable	7,560,721	186,953,364	Receivables related to the PPI Dacion (Note 9), for various administrative expenses, due on demand, non-interest bearing, unsecured and no impairment
Deposit liabilities	3,167,731,925	2,792,774,639	Savings, demand and time deposits
Bills payable	8,818,500,000	14,808,320,000	Short-term foreign currency borrowings
Accrued interest payable	21,453,770	16,942,158	Accrued interest expense on bills payable, subordinated debt and interest rate swaps
Subordinated debt	1,290,392,290	—	Direct, unconditional, unsecured and subordinated obligation of the Bank
Interest expense	574,694,151	575,590,068	Interest expense on interest rate swaps, bills payable, subordinated debt and deposit liabilities
Other related parties			
Accounts receivable	150,134,400	150,276,600	Receivables are secured by deposit hold-out and no impairment. Also includes various administrative expenses
Deposit liabilities	1,134,711,224	1,062,759,826	Savings, demand, and time deposits
Accrued interest payable	7,356	3,945	Accrued interest expense on time deposits
Interest expense	14,156,507	8,062,466	Interest expense on interest rate swaps, bills payable and deposit liabilities
Service charges, fees and commissions	72,277,622	99,750,179	Transaction fees from various services rendered including bancassurance fees
IT expenses	156,132,081	83,896,865	IT Support Services received from MSS
Accrued expenses	38,075,473	5,906,256	
Employee benefits	43,393,184	41,336,464	Life and medical insurance premiums for bank employees
Retirement fund of the Bank			
Deposit with the Bank	4,814,999	14,712,675	This deposit earns annual fixed interest rates ranging from 0.25% to 3.25%.
Interest income	112,670	207,608	

Other related parties are other companies owned and controlled by the Bank’s Parent Company.

Service fee income

On December 15, 2010, the Bank entered into an agreement with Maybank International Labuan Limited (MILL) whereby the Bank shall perform account management in its favor. This will include the conduct of annual review on the account and collection. The Bank shall charge MILL a service fee of 0.30% of the average US\$ value of loans and investments booked by MILL per annum beginning July 1, 2010 until such time that the agreement shall be terminated. Service fees earned from MILL amounted to ₱6.9 million and ₱32.9 million for the years ended December 31, 2025 and 2024, respectively.

On December 18, 2016, the Bank entered into a Bancassurance Agreement with Asianlife & General Assurance Corporation (*now Etiqa Life General Assurance Philippines (ELGAP)*), an entity under the common control of the Parent Company, for a period of ten (10) years. On February 10, 2021, the Bank entered into another Bancassurance Agreement with ELGAP for a period of 15 years. Under the Bancassurance Agreements, the Bank shall receive service fees and commissions for acting as ELGAP’s distribution channel for its insurance products. Unearned bancassurance income as of December 31, 2025 and 2024 amounted to ₱333.3 million and ₱366.7 million, respectively. In 2025 and 2024, the Bank earned service fees and commissions amounting to ₱64.7 million and ₱66.2 million, respectively.

Life, health and medical insurance

On February 14, 2020, the Bank and ELGAP signed a Memorandum of Agreement (the MOA) designating the latter as the official life and health insurance provider for the Bank’s employees and enrolled dependents effective January 1, 2020. In 2025 and 2024, the Bank paid a total insurance premium amounting to ₱43.3 million and ₱41.3 million, respectively.

IT Services

In 2014, MPI signed an agreement with Maybank Shared Services Sdn. Bhd. (MSS) wherein the latter would provide IT support services to MPI which are broadly categorized into IT Back Sourcing, IT Mandays, and Regional Projects or Information Technology Transformation Programme.

Subordinated Debt

On August 26, 2025, the Bank and the Parent Company entered into a subordinated loan agreement (the Agreement) whereby the Parent Company agreed to make a subordinated loan available to the Bank in the aggregate amount of ₱2.0 billion. The term of the subordinated loan shall be 10 years from the drawdown date.

Among the significant terms and conditions of the agreement are:

- (a) The subordinated debt shall constitute direct, unconditional, unsecured and subordinated obligation of the Bank. In the event of winding up or liquidation of the Bank, the claims of the Parent Company against the Bank in respect of the subordinated debt will be subordinated in right of payment to the claims of the depositors and all other unsubordinated creditors of the Bank and will rank at least *pari passu* in right of payment with all other subordinated obligations, present and future, of the Bank. However, claims in respect of the subordinated debt will rank in priority to the rights and claims of holders of subordinated liabilities which by their terms rank or expressed to rank in right of payment junior to the subordinated debt and all classes of equity securities of the Bank, including holders of common shares and preferred shares.
- (b) The Parent Company shall not be entitled to set off any amount it owes to the Bank against the subordinated loan.

- (c) The Bank has option to prepay, in full or in part, the subordinated loan on any call date provided that at least thirty (30) business days before the call date, a notice in writing shall be delivered to the Parent Company. Any such notice given by the Bank shall be irrevocable. On the call date, the Bank shall pay to the Parent Company the principal amount to be prepaid plus any accrued interest. Any prepayment shall be subject to the approval of the BSP.
- (d) The interest payable on the principal amount of the subordinated debt shall be at the initial interest rate, which is the sum of the initial spread and the initial benchmark rate. The Bank shall pay accrued interest on the outstanding subordinated loan every six (6) months and the first payment shall be six (6) months after the drawdown date.
- (e) The subordinated debt has a loss absorbcency feature at the point of non-viability. As such, the subordinated debt can absorb losses upon the occurrence of a trigger event through a write-off mechanism. A non-viability trigger event is a deviation from a certain level of CET 1 Ratio, inability of the Bank to continue business, or any other event as may be determined by the BSP, whichever comes earlier.

Drawdowns from the subordinated debt are to be implemented in tranches of ₱500 million each, or any fractions thereof, depending on circumstances deemed by the Management as necessary and optimal. As of December 31, 2025, the following are the drawdowns from the aggregate ₱2.0 billion facility:

Drawdown Date	Amount *	Maturity Date	Interest Rate
August 27, 2025	₱500,000,000	August 27, 2035	7.16825%
November 20, 2025	800,000,000	November 20, 2035	6.68425%
	₱1,300,000,000		

* Amounts are subject to 0.75% documentary stamps tax

In 2025, interest expense on subordinated loans included in ‘Interest expense on bills payable and other borrowings’ amounted to ₱19.0 million.

29. Offsetting of Financial Assets and Liabilities

The amendments to PFRS 7 require 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. The effects of these arrangements are disclosed in the succeeding tables (amounts in thousands):

Financial Assets

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 the statements of financial position	Effect of remaining rights to set-off (including rights to set-off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure
	[a]	[b]	[c] = [a] - [b]	[d]		[e] = [c] - [d]
December 31, 2025						
Derivative assets (Note 17)	₱9,594,909	₱9,554,067	₱40,842	₱–	₱–	₱40,842
December 31, 2024						
Derivative assets (Note 17)	₱3,302,847	₱3,285,300	₱17,547	₱–	₱–	₱17,547



Financial Liabilities

Financial liability 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 the statements of financial position	Effect of remaining rights to set-off (including rights to set-off financial collateral) that do not meet PAS 32 offsetting criteria		Net exposure
				Financial instruments	Fair value of financial collateral	
	[a]	[b]	[c] = [a] - [b]	[d]		[e] = [c] - [d]
December 31, 2025						
Derivative liabilities (Note 17)	₱47,649,954	₱28,432,642	₱19,217	₱–	₱–	₱19,217
December 31, 2024						
Derivative liabilities (Note 17)	₱13,151,081	₱12,987,672	₱163,409	₱–	₱–	₱163,409

30. Notes to Statements of Cash Flows

Non-cash additions to investment properties and other properties acquired in settlement of loans amounted to ₱296.2 million and ₱1,301.2 million, and ₱356.8 million and ₱1,087.4 million, respectively, for the years ended December 31, 2025 and 2024, respectively.

Changes in liabilities arising from financing activities

	January 1, 2025	Cash flows	Others*	December 31, 2025
Bills payable	₱14,808,320,000	(₱5,989,820,000)	₱–	₱8,818,500,000
Subordinated debt	–	1,300,000,000	(9,607,710)	1,290,392,290
Lease liabilities	756,008,213	(252,279,499)	306,157,032	809,885,746
	₱15,564,328,213	(₱4,942,099,499)	₱296,549,322	₱10,918,778,036
	January 1, 2024	Cash flows	Others*	December 31, 2024
Bills payable	₱13,953,240,000	₱855,080,000	₱–	₱14,808,320,000
Subordinated debt	–	–	–	–
Lease liabilities	722,844,118	(241,524,070)	274,688,165	756,008,213
	₱14,676,084,118	₱613,555,930	₱274,688,165	₱15,564,328,213

* Others include unamortized origination costs for the subordinated debt, and accretion of interest on lease liabilities and subordinated debt and additional lease liabilities during the year

31. Events After the Reporting Period

On March 6, 2026, the Bank drew the last tranche from the subordinated debt facility with the Parent Company amounting to ₱700.0 million bearing interest of 6.43013% per annum.

32. Approval for the Release of the Financial Statements

The accompanying financial statements of the Bank were approved and authorized for issue by the BOD on April 14, 2026.

33. Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB)

Presented below is the supplementary information required by BSP under Section 174 of the MORB 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
Return on average asset (ROA)	(1.80%)	(0.88%)
Return on average equity (ROE)	(16.71%)	(7.81%)
Net interest margin over average earning assets (NIM)	4.23%	3.50%

Description of capital instruments issued

The Bank considers its capital stock and subordinated debts as capital instruments eligible as Tier 1 and Tier 2 capitals.

As of December 31, 2025 and 2024, the Bank has two classes of capital stock, preferred and common stock as shown below:

	Shares	Amount
Common stock - ₱35.0 par value		
Authorized	473,366,128	₱16,567,814,480
Issued and outstanding	294,666,977	10,313,344,184
Balance at the beginning and end of the period	294,666,977	10,313,344,184
Preferred stock - ₱3.7 par value		
Authorized	295,000,000	1,091,500,000
Issued and outstanding	64,355,294	238,114,588
Balance at the beginning and end of the period, net of subscriptions receivable of ₱5,574,864	62,848,617	232,539,724
	357,515,594	₱10,545,883,908

As of December 31, 2025, the Bank has subordinated debt with a carrying amount of ₱1.29 billion.

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 in thousands).

	December 31, 2025		December 31, 2024	
	Gross Amount	%	Gross Amount	%
Real estate activities	₱16,552,178	30.44%	₱19,378,691	30.89%
Wholesale and retail trade	6,919,679	12.73%	8,441,263	13.46%
Consumer	6,888,218	12.67%	6,468,629	10.31%
Transportation and storage	5,263,748	9.68%	5,142,504	8.20%
Other service activities	3,837,911	7.06%	5,228,950	8.34%
Public Administration, Defense, and Compulsory Social Security	2,707,392	4.98%	3,273,140	5.22%
Human health and social work activities	1,874,863	3.45%	1,865,176	2.97%
Construction	1,872,084	3.44%	2,264,243	3.61%

(Forward)



	December 31, 2025		December 31, 2024	
	Gross Amount	%	Gross Amount	%
Education	₱1,548,397	2.85%	₱1,699,334	2.71%
Financial and insurance activities	1,230,291	2.26%	1,191,175	1.90%
Manufacturing	1,202,739	2.21%	1,424,118	2.27%
Electric, gas, steam and air-conditioning supply	1,166,275	2.15%	1,624,074	2.59%
Agriculture, forestry and fishing	1,122,140	2.06%	1,455,930	2.32%
Accommodation and food service activities	993,694	1.83%	1,117,941	1.78%
Information and Communication	878,479	1.62%	1,107,778	1.77%
Water Supply, Sewerage, and Waste Management	173,795	0.32%	891,795	1.42%
Mining and quarrying	71,825	0.13%	81,663	0.13%
Arts, Entertainment, and Recreation	68,067	0.13%	77,712	0.12%
	₱54,371,775	100.00%	₱62,734,116	100.00%

Nonperforming loans

BSP Circular No. 941 requires banks to compute their net nonperforming loans (NPLs) by deducting the specific allowance for credit losses on the total loan portfolio from the gross NPLs. The specific allowance for credit losses shall not be deducted from the total loan portfolio in computing the NPL ratio.

NPLs of the Bank are as follows:

	2025	2024
Gross NPLs	₱3,024,712,128	₱2,963,355,423
Less: Deductions as required by the BSP	2,027,235,854	2,156,231,783
	₱997,476,274	₱807,123,640

According to Section 304 of the MORB, loans are 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 from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

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						
Corporate lending	₱2,755,342,611	₱1,467,446,486	₱4,222,789,097	₱5,446,218,313	₱1,265,430,957	₱6,711,649,270
Commercial lending	3,943,408,016	207,291,715	4,150,699,731	4,375,125,829	237,496,393	4,612,622,222
Consumer lending						
Auto	27,487,348,590	1,013,472,146	28,500,820,736	31,377,619,128	835,160,824	32,212,779,952
Housing	16,153,152,098	310,562,969	16,463,715,067	17,081,801,182	603,275,759	17,685,076,941
Others	1,007,811,975	25,938,812	1,033,750,787	1,489,996,114	21,991,490	1,511,987,604
	₱51,347,063,290	₱3,024,712,128	₱54,371,775,418	₱59,770,760,566	₱2,963,355,423	₱62,734,115,989

Loans per security

As of December 31, 2025 and 2024, secured and unsecured NPLs of the Bank are as follows:

	2025	2024
Secured	₱1,761,247,981	₱1,046,030,409
Unsecured	1,263,464,147	1,917,325,014
	₱3,024,712,128	₱2,963,355,423

The following table shows the breakdown of loans as to secured and unsecured and the breakdown of secured loans as to type of security (amounts in thousands):

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Secured by:				
Chattel	₱25,471,481,601	46.85%	₱28,487,095,284	45.41%
Real estate	19,520,814,118	35.90%	21,134,205,406	33.69%
Deposit hold-out	378,585,872	0.70%	791,515,663	1.26%
	45,370,881,591	83.45%	50,412,816,353	80.36%
Unsecured	9,000,893,827	16.55%	12,321,299,636	19.64%
	₱54,371,775,418	100.00%	₱62,734,115,989	100.00%

Information on related party loans

In the ordinary course of business, the Bank enters into loans and other transactions with its affiliates, and with certain directors, officers, stockholders and related interests (DOSRI). Under the Bank’s policy, these loans and other transactions are made substantially on the same terms as with other individuals and businesses of comparable risks and are settled in cash.

The amount of individual loans to DOSRI, 70.00% of which must be secured, should not exceed the amount of their respective deposits and their respective investments in the Bank. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations. In the aggregate, loans to DOSRI generally should not exceed the lower of the Bank’s total regulatory capital or 15.00% of the total loan portfolio. As of December 31, 2025 and 2024, the Bank is in compliance with these regulatory requirements.

Section 342 of the MORB states that transactions covered for loans to be classified as loans to DOSRI, shall refer to transactions of the Bank which involve the grant of any loan, advance or other credit accommodation in any form whatsoever, whether renewal, extension or increase.

As of December 31, 2025 and 2024, the Bank does not have any outstanding loans to related parties and DOSRI

Secured Liabilities and Assets Pledged as Security

As of December 31, 2025 and 2024, the Bank does not have outstanding secured liabilities and assets pledged as security.

Commitments and contingencies

The following is a summary of contingencies and commitments of the Bank with the equivalent peso contractual amounts:

	2025	2024
Forward exchange bought	21,579,043,349	23,188,492,886
Forward exchange sold	21,576,746,014	23,382,004,423
Trust department accounts	8,064,879,059	8,458,539,125
Unused credit limits	3,936,660,658	5,375,823,383
Spot exchange bought	2,734,185,000	7,142,350,809
Spot exchange sold	2,733,850,000	7,140,010,000
Unused commercial letters of credit	1,858,567,179	1,096,043,591
Deficiency claims receivable	1,096,665,921	968,584,805
Outstanding guarantees	951,449,898	947,947,458
Inward bills for collection	211,446,330	261,492,571
Cross interest swap payable	99,943,000	127,259,000
Cross interest swap receivable	83,922,500	109,297,500
Late deposits and payments received	18,167,178	3,168,981
Outward bills for collection	7,252,493	10,830,754
Items held for safekeeping	86,741	502,718
Items held as collateral	5,655	6,435
Financial futures bought	—	375,992,500
Financial futures sold	—	462,760,000

34. Supplementary Information Required Under Revenue Regulations 15-2010

The BIR issued RR 15-2010, to amend certain provisions of RR 21-2002. The Regulations provide that the notes to the financial statements will include information on taxes and licenses paid or accrued during the taxable year.

To comply with the requirements set forth in RR 15-2010, the Bank reported and/or paid the following types of taxes during the period:

Gross receipts tax (GRT) and Documentary stamp tax (DST)

Under the Philippine tax laws, financial institutions are subject to percentage and other taxes as well as income taxes. Percentage and other taxes paid by the Bank consist principally of GRT and DST.

Other Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, licenses and permit fees lodged under the 'Taxes and licenses' account in the Bank's statements of income.

For the year ended December 31, 2025, GRT, DST and other taxes and licenses consist of the following:

GRT	₱359,765,408
DST	276,212,323
Local taxes	29,377,345
Real estate taxes	1,623,929
Others	6,233,789
	₱673,212,794

Withholding Taxes

Details of withholding taxes for the year ended December 31, 2025 are as follows:

	Total Amount Remitted
Final withholding taxes	₱417,032,426
Withholding taxes on compensation and benefits	262,383,210
Expanded withholding taxes	206,124,338
	₱885,539,974

Tax Assessments and Cases

Taxable year 2018

The Bank received the Final Decision on Disputed Assessment (FDDA) from the BIR on December 19, 2023 indicating the alleged deficiency taxes, inclusive of penalties for taxable year 2018 as follows:

Income tax	₱351,362,820
Gross receipts tax	2,293,050
Expanded withholding tax	5,667,764
Fringe benefits tax	5,353,070
Final withholding tax on interest	15,959,348
Documentary stamp tax	1,296,897,737
Compromise penalties	275,000
	₱1,677,808,789

As of December 31, 2025, the Bank's tax appeal before the Court of Tax Appeals (CTA) for the alleged deficiency tax assessment for taxable year 2018 is still pending. Management, based on consultation with the Bank's legal counsel, believes that the final settlement, if any, would not adversely affect the Bank's financial position or results of operations.

35. Supplementary Schedule of External Auditor Fee-Related Information Required Under SEC Memorandum Circular No. 18

In accordance with the disclosure requirement set forth in Securities and Exchange Commission (SEC) Memorandum Circular 18, Series of 2003, presented is the summary of the aggregate fees billed by the Company's external auditors for the fiscal years ended December 31, 2025 and 2024.

	2025	2024
Total audit fees	₱4,500,000	₱4,500,000
Non-audit services fee:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total non-audit fees	—	—
Total audit and non-audit fees	₱4,500,000	₱4,500,000



Audit and Non-audit Fees of Other Related Entities

	2025	2024
Total audit fees	₱1,212,500	₱1,212,500
Non-audit services fee:		
Other assurance services	—	—
Tax services	—	—
All other services	—	—
Total non-audit fees	—	—
Total audit and non-audit fees of other related entities	₱1,212,500	₱1,212,500

Products & Services

Maybank Philippines, Inc. offers a wide array of financial solutions and facilities that support and enable the aspirations of its customers. The Bank continuously strives to innovate and create products and services that are aligned to the evolving needs of the communities it serves and the market in general, helping bridge the financial divide for all.



DEPOSIT PRODUCTS

Classic

Uncomplicated effortless banking

- Traditional Savings, Checking and Time Deposit Accounts

Ezyflex

An all-in-one account with on-demand features and can be availed thru the M2U App or at any Maybank branches nationwide. Request for a Maybank Visa Debit Card, passbook and checkbook anytime when needed.

Save n' Protect Savings Account

Peace of mind at a higher level

- Comes with a passbook and Regional ATM card
- With Free Life Insurance Coverage of up to Php 5,000,000

Premier 1 Savings Account

A high-yielding interest savings account that gives both individual and corporate clients the flexibility to earn tiered interest rates depending on the account balances and frequency of withdrawals. It comes with an ATM/debit card and passbook.

Premier 1 Checking Account

All you need in a Checking Account

- A specialized checking account with tier-based interest provision depending on the number of withdrawals and the account's daily ending balance
- Comes with a record book for itemized posting of inward checks
- With free Regional ATM card

Yippie and ImTeen Savings Account

Teach children the value of saving

- A savings account for children 17 years old and below
- Comes with a passbook and free Regional ATM card
- Free Personal Accident Insurance with Medical Reimbursement Benefit

ADDvantage 5-year Time Deposit

Take advantage of the time of your life

- A fixed-interest time deposit account for 5 years + 1 day term
- Tax-free for individual accounts

US Dollar Savings Account

Save in USD, Earn interest in USD

- A regular interest-earning dollar savings passbook account

US Dollar Time Deposit Account

Maximize your dollars' earning potential. Earn more with higher rates with an affordable US Dollar product

ELECTRONIC BANKING PRODUCTS

M2U

Enjoy the convenience of online banking transactions at your own place and pace with M2U Internet and Mobile Banking. Bank safely with our double-layered security feature using a Transaction Authorization Code (TAC) which is sent to your registered mobile number every time you transact.

- View your deposit, loan, and credit card accounts
- Transfer funds to your own or to third-party Maybank accounts and even to other BancNet member bank accounts.
- Pay your bills
- Reload your prepaid mobile phone, other prepaid and other e-Wallet accounts
- Convert your dollar to peso
- Open a Time Deposit Account
- Request for checkbook
- Perform stop payment order
- Request for Credit Card EzyCash
- Request for and activate your Debit Card

Money2u Remittance

Before you take over the world, let us first take care of you

- Same day crediting to your Maybank account and within 24 hours to other banks
- Receive remittances worldwide
- First 2 monthly withdrawal charges are waived

Maybank ATM / Visa Debit Cards

Your other passport

- Access your account at any Maybank ATMs in Malaysia, Singapore, and Brunei.
- Use your card in BancNet ATMs in the Philippines and VISA ATM overseas
- Pay with your Maybank Visa Debit Card in-store, wherever Bancnet and Visa cards are accepted
- Secure digital access. Conveniently access and do banking transactions online (www.maybank.com.ph) or via the Maybank2U PH App. You will receive a unique code number for every financial transaction and an SMS every time you use your Maybank Visa Debit Card.
- FREE withdrawals and balance inquiries when you use your Maybank ATM/Visa Debit at any Maybank branded ATMs and Euronet ATMS (with Maybank stickers) nationwide

iSave Savings Account

- Open an account online.
- No initial deposit and zero maintaining balance required
- Withdraw for free in all BancNet ATMs in the Philippines
- Deposit to over 13,000+ touch points nationwide



EzySave+

Digital savings account powered by Maybank and GCash that lets you conveniently open your account via your GCash App.

- No initial deposit required and zero maintaining balance & annual fee
- Earn interest with a minimum balance of Php0.01
- Free ATM withdrawal from ANY Bancnet ATM in the Philippines
- Withdraw from any ATM worldwide carrying the Visa Logo
- Pay for goods and services using Maybank Visa Debit Card
- Free Save n' Protect life insurance coverage of up to Php1,000,000 subject to qualification

CONSUMER LOANS

Home Loans

Enjoy big advantage in building your dream home.

Available for your purchase of residential house and lots, vacant lots, townhouses or condominium units, for building or construction of your dream home, or for refinancing of your existing housing loan. Borrow as much as 90% of the property's appraised value at flexible terms and longer repayment period of up to 20 years.

Auto Loans

Owning made easy

Designed for the acquisition of brand new and pre-owned vehicles with a one-day approval and repayment term of up to 60 months.

Truck Loans

Purchase brand new, used or reconditioned trucks and borrow up to 70% of the vehicle's cash price or appraised value. Repayment terms are up to 36 months.

Auto Refinancing

A quick loan using owned motor vehicles up to 60% of the vehicle's appraised value and repayment terms up to 24 months.

Floor Stock Financing

A revolving facility providing finance for auto dealer's working capital requirements to support purchase of inventory of new vehicles for a short term period.

Personal Loan

Now you can!

A no-collateral loan which can be used to pay-off credit card bills, medical expenses, tuition fees, travel/vacation, home furnishings or purchase of high-end appliances and electronic products. Enjoy competitive rates and terms up to 36 months, at attractive and affordable rates.

Maybank Credit Cards

Enjoy financial flexibility, Experience the best Of both worlds

Maybank Classic

- Gain financial flexibility with Maybank EzyPlans (EzyCash, EzyTransfer and EzyConvert)
- 0% Interest in Installment for up to 24 months in select Maybank-accredited merchant partners
- Earn one (1) TreatsPoint for every Php25 retail spend and redeem miles, cash credits or eGift Vouchers
- Discounts and privileges here and abroad
- Pay in Philippine Peso when you use your Maybank Credit Card overseas
- SMS notification for approved transactions

Maybank Gold

- Gain financial flexibility with Maybank EzyPlans (EzyCash, EzyTransfer and EzyConvert)
- 0% Interest in Installment for up to 24 months in select Maybank-accredited merchant partners

- Earn one (1) TreatsPoint for every Php25 retail spend and redeem miles, cash credits or eGift Vouchers
- Discounts and privileges here and abroad
- Low Issuer Service Fee on Foreign Currency Transactions at 2.5%
- Pay in Philippine Peso when you use your Maybank Gold Credit Card overseas
- SMS notification for approved transactions

Maybank Platinum

- 1% cashback on overseas spend¹
- Low Issuer Service Fee on Foreign Currency Transactions at 1.80%
- Worldwide Golf Privileges with access to golf clubs here and abroad
- Earn one (1) TreatsPoint for every Php25 retail spend and redeem miles, cash credits or eGift Vouchers
- Discounts and privileges here and abroad
- SMS notification for approved transactions
- Accepted worldwide

Maybank Visa Infinite

- EXCLUSIVE to Premier clients
- Earn One (1) TreatsPoint for Every Php25 Spend and Redeem Cash Credits and Miles
- 1% Cashback on Overseas Spend¹
- Shop Abroad and Enjoy our Lowest Issuer's Service Fee on Foreign Currency Transactions at only 1.75%
- Complimentary Lounge Access for Two²
- Worldwide Golf Privileges with access to 19 countries³

¹ Visa Infinite: 1Php36,000 Annual Cap; 1% rebate on overseas spend will be posted within two (2) billing cycles; Posting date will depend on settlement date of merchant's acquiring bank; Qualified Transaction/s: Retail transactions via merchant Point-of-Sale (POS) terminal. E-commerce/ online spend is not included.

² Maybank Visa Infinite Credit Card (Card) must be used to pay for the lounge access; Card must be active and in good credit standing at the time of reimbursement (actual cost or US\$30 per lounge access, whichever is lower), up to 2x per year only; Lounge access may be used by Maybank Visa Infinite Credit Cardholder's Supplementary or close relative.

³ Subject to updates as indicated in <https://www.maybank.com.ph/en/personal/cards/promotions/golf-privileges.page>

- Exclusive Regional Privileges⁴
- Visa Infinite Exclusive Programs⁵
- Complimentary Visa Concierge 24/7 via Viber, toll-free number call, e-mail or website (Visa Concierge | Visa)
- Visa Luxury Hotels at visaluxuryhotelcollection.com
- eComm Purchase Protection⁶
- Visa Affluent Local Hotel and Dining offers - Enjoy savings on experiential hotel staycation and dining privileges
- Free for life annual fee worth Php5,000 for being a loyal Maybank Premier client

Maybank-Manchester United Credit Card. Powered by Visa

- 5X TREATS Points when Manchester United wins a Premier League Match
- 10X TREATS Points for purchases at United Direct Online Megastore
- 10% Discount at United Direct Online Megastore and Outlet
- 10% Discount at Red Café, Old Trafford on food and drinks
- 20% Discount on Manchester United Stadium and Museum Tour tickets (only upon purchase at the Old Trafford Football Ground)

⁴ Subject to updates as indicated in <https://www.maybank.com.ph/en/promotions/promos.page> <https://mytreats.maybank.com/cardpromotions/malaysia/premium-listing/> [https://www.visa.com.ph/en_ph/visa-offers-and-perks/](https://www.visa.com.ph/en_ph/visa-offers-and-perks/Visa%20Offers%20and%20Perks) Visa Offers and Perks | Credit Card Offers

⁵ Subject to updates c/o Visa

⁶ E-commerce Purchase Protection provides coverage of up to US\$1,000 per claim per year for possible losses on online purchases which include non-delivery of purchased item after 30 days of scheduled delivery, wrong or incomplete delivery of purchased item, and physical damage to the delivered item at time of delivery. AIG Philippines Insurance, Inc. | Protection | VISA

Visa's E-commerce Purchase Protection provides coverage of up to US\$1,000 for Visa Infinite per claim per year for possible losses on online purchases on the conditions stated above.

WEALTH MANAGEMENT

Maybank Premier

Turn Your Inspiration Into Reality
Carefully crafted and specialized suite of product offerings, benefits and privileges to address our clients' unique financial and lifestyle needs.

Wealth Solutions
Wealth Management Advisory. We help our clients create a financial plan tailored to their specific financial requirements and aspirations, enabling them to build a legacy for their future generations.

Research Capability. We help our clients make more informed decisions, through first-hand access to expert wealth research of the Maybank Group and invites to exclusive market outlook sessions.

Premier Benefits
Dedicated Relationship Manager. We match our clients with a single point of contact and account handler for all their banking and financial requirements with Maybank.

Priority Service. We provide our clients the convenience to perform all their banking needs in the comfort and privacy of any of our Maybank Premier Centers in the country.

Preferential Pricing Privileges.
We extend only to our select Premier clients preferential pricing on banking products and services, including foreign exchange.

Lifestyle Privileges
Maybank Visa Infinite Credit Card. Only our well-travelled Premier clients can gain access to exclusive privileges that come with this credit card, including 1% cashback on overseas spend.

CASH MANAGEMENT SERVICES

Collection Solutions

Express Collect

- Unique deposit taking service which provides a flexible and safe solution for transporting check collections from the client's office for deposit into their Maybank account via the bank's accredited motorized collector.

Cash Collect

- Nationwide cash pick-up service which ensures a secure, efficient and convenient solution for transferring cash and check collections from the customer's office into their Maybank account

Over-the-counter Bills Payment

- Automated receivables solution that allows corporate customers to collect from their clients via Maybank's branches

Check Warehousing

- Outsource the management and handling of Post Dated Checks (PDC) and generating reports for easy reconciliation.

Night Depository Box

- Secure and safe deposit solution for businesses operating beyond banking hours, weekends and holidays. Deposits are kept safe until they can be counted and verified the next banking day.

E-Gov

- An online payment facility managed by Bancnet for government contributions and loans such as SSS, Philhealth and Pag-ibig.



Payment Solutions

Check Cutting

- Allows corporate customers to outsource the check making and releasing activities to the bank and gives an option to use either Corporate Checks or Maybank Manager’s Checks

Check Master

- Stand-alone check writing solution for the automated preparation of checks, vouchers and reports.

Payroll Solutions

Payroll Manager

- Hassle free payroll solution that provides convenience of paying the periodic salaries of employees into their Maybank ATM accounts.

Payroll Manager Plus

- Leading edge payroll solution that combines functionalities of a traditional payroll service coupled with up-to-date software to ensure security, efficiency and cost-saving during payroll activities.

Payroll Master

- Stand-alone payroll system that automates the computation of the distribution of salaries and other benefits directly into the employees’ ATM accounts.

Internet Banking

Maybank2E

- It is Maybank’s dedicated business portal covering all aspects of cash management including management of information, payables, receivables and liquidity, and runs across major mobile operating systems. Its multi-channel accessibility via web browsers, laptops, personal computers, tablets and smartphones running on Android,

iOS, Blackberry OS 10 and Windows Phone 8, allow customers to view and transact anytime, anywhere.

Regional Cash Management System

- Maybank’s corporate internet banking facility that is capable of real-time account inquiry, local and international funds transfer, payroll crediting and check disbursement.

Supplier’s Collection Arrangement (SCA)

- It is a collections solution for Suppliers designed to provide a faster and more convenient way of collecting regular check payments issued by Maybank Check Cutting clients. It is an auto-deposit arrangement of check payments to the Maybank account of the SUPPLIERS.

MT940 SWIFT

- A structured customer statement or message developed by SWIFT (Society for Worldwide Interbank Financial Telecommunication). It is an end-of-day electronic account statement showing entries booked to an account.

REMITTANCE

Local and International Fund Transfer

- Send to and receive remittances from your relatives, friends or business partners.

Maybank has various EFTS (Electronic FundTransfer System) to facilitate fund transfer anywhere in the Philippines and abroad.

Domestic

- PDDTS/RTGS – USDollar local wire fund transfer
- Philpass/RTGS – Philippine PESO local fund transfer
- PCHC Electronic Peso Clearing System (EPCS) – Peso fund transfer

- SSS Local Pension Remittance – monthly auto credit of SSS pension; “2 banking days earlier”

International

- SWIFT
- Money2U (from Malaysia to any Philippine local banks or MPI depository)
- Regional Switch-OTC Payment (from Maybank KL, Brunei, Singapore)
- MME (Maybank KL Money Express) payout center for Manila
- I-REMIT- payout counter
- U.S. Veterans Affairs & Social Security (USVA-SSA) Direct Deposit Remittance

Other Payment Services Outward Bills for Collection (OBC)

- Deposit your international checks for credit to your account after the 45-day clearing period.

TRUST & FIDUCIARY ACCOUNTS

Investment Management Account (IMA)

- This product is ideal for clients who want to diversify their portfolio through a wide array of investment vehicles and are looking for potentially higher yields than traditional bank products. MPI-Trust prudently manages investment funds according to client’s risk and return objectives, investment mandate, and its internal parameters.

Personal Management Trust

- MPI-Trust aims to helps to create a trust portfolio which aims to preserve the client’s assets or properties for their beneficiaries’ benefit, whether it is for future use or to answer for the client’s beneficiaries’ current needs.

Escrow Account

- MPI-Trust facilitates the delivery of exchange of money, securities or property between contracting parties who are looking for an independent third-party who will ensure that the terms and conditions of their contract/ agreement are complied with.

Employee Benefit Trust

- Maybank Trust acts as a keeper and investment manager of entrusted accumulated funds for companies, their employees, or both, for use as payments for retirement or separation benefits to employees. This arrangement provides for a systematic retirement plan scheme while enjoying certain tax benefits both for the company and its employees.

Life Insurance Trust

- MPI-Trust handles and distributes the proceeds of the assigned life insurance policy of the client for the best interest and in behalf of the client’s designated beneficiaries

UITF (Unitized Investment Trust Fund)

- A UITF is a professionally managed and open-ended collective investment scheme wherein the funds from various investors are pooled together and invested in various investment instruments for the purpose of achieving the intended investment objective of the fund. MPI-Trust offers a broad range of funds with the goal of providing its clients maximum yields and returns within certain levels of risks.

BUSINESS LOANS

Revolving Credit Line (RCL)

- Short-term loans granted for working capital purposes where the amount paid is made continually available provided it does not exceed the approved credit line.

Term Loan

- Granted for the purpose of project financing, capital assets acquisition/ expenditures or business expansion

Domestic Bills Purchase Line

- Credit facility granted to augment the working capital of the borrower through advance made by the Bank against current-dated checks.

Discounting Line

- Credit facility granted to augment the working capital of the borrower through the discounting of trade-related, third-party post-dated checks

Letter of Credit/Trust Receipt

- Issued by the Bank on behalf of the importer-customer for the benefit of the supplier (exporter); issued to cover the purchase of goods for the final use of the buyer or for resale. Trust Receipt financing allows the applicant (importer) to take possession of the goods and to convert the same into cash within a maximum allowable period. Trade transactions that require TR financing may or may not be covered by Letter of Credit.

Stand-by letters of Credit

- A letter of credit used to guarantee payment in case of non-performance of the applicant/ customer or payment to a beneficiary under a contractual obligation between the applicant and the beneficiary

Bank Guarantee/Shipside Bond

- Issued by the Bank on behalf of its client favoring a third party. Under the BG, the Bank agrees to indemnify/pay the Beneficiary should the Bank’s client fails to perform or be unable to pay in accordance to the terms of the contract.

Export Advance Line/Packing Credit

- Loans granted to exporters for the purchase or preparation of goods for shipment against the assignment to MPI of export proceeds covered by Letter of Credit, Purchase Order or Supplier’s Credit

Export Bills Purchased Line

- Facility granted that allows the outright purchase of export proceeds upon presentation of client’s export bills

Trade Loan

- A facility that provides financing for domestic, international, and cross-border merchandise trade transactions under Open Account, Advance Payment, Direct Remittance, Documentary Collection, and Documentary Credit

Contract-To-Sell (CTS) Financing

- Purchase of receivables from in-house financing of real estate developers

Receivables Financing

- Form of business financing wherein a supplier sells his or her trade/ accounts receivables as evidenced by invoices to a bank or financial institution at a discount so that the invoice amount can be advanced; the bank/FI takes over collection of payment against invoices from the supplier’s buyers.

Buyer Centric Supplier Finance (BCSF)

- Otherwise known as Vendor Financing, is an Open Account Trade Financing Programme that discounts a buyer/customer’s approved credit invoices/purchase order to their suppliers on a without recourse basis. The product allows 100% financing (less interest and fees), with interest generally borne by suppliers.



Dealer Financing

- A Trade Financing Programme that aims to provide working capital to distributors of large principals. Working capital funding is aimed at financing domestic transactions under open account or advance payment.

GLOBAL MARKETS
PRODUCTS AND SERVICES

All trades executed by GM Sales are based on client’s requirements and the products offered include but not limited to the buying/ selling of the following products, unless otherwise restricted by Maybank Philippines, Inc. (MPI).

Fixed Income Securities

- Local Currency Denominated
 - Treasury Bills (T-Bills)
 - Fixed Rate Treasury Notes (FXTN)
 - Retail Treasury Bonds (RTB)
 - Corporate Bonds
 - Commercial Papers
 - Long Term Negotiable Certificate of Deposits (LTNCD)
- Foreign Currency Denominated
 - Republic of the Philippines, offshore and onshore (ROP, ODB)
 - United States Treasuries (UST)
 - Other Foreign Sovereign Bonds
 - Corporate Bonds (foreign and local)

Foreign Exchange

- Unless otherwise instructed by MPI Senior Management and Board of Directors, Global Markets Sales is authorized to deal all currencies that may be acceptable by Bangko Sentral ng Pilipinas (BSP) as follows:
 - Australian Dollar
 - Euro
 - Great Britain Pound
 - Hong Kong Dollar
 - Japanese Yen
 - Chinese Yuan
 - Singapore Dollar
 - United States Dollar
 - Malaysian Ringgit

Money Market Deposits / Time Deposits

Derivatives

Financial products such as derivatives transactions may be offered by Global Markets Sales provided that they are authorized derivatives for distribution in accordance to BSP Circular 594 and its amendments or BSP-approved derivatives products under the Bank’s Type 2 expanded derivatives license.

The following derivatives products, as approved by the BSP, can be offered by GM Sales provided these are suited to the client’s overall suitability profile:

- Foreign Exchange Forwards (Deliverable and Non-deliverable)
- Foreign Exchange Swaps
- Interest Rates Swaps (IRS)

- Interest Rates Options (IRO)
- Cross Currency Swaps (CCS)
- Non-Deliverable Cross Currency Swaps (NDCCS)
- Foreign Exchange Options (FXO)
- Non-Deliverable Foreign Exchange Options (NDFXO)
- Dual Currency Investments (DCI)
- Par Forwards
- Flexi Forwards

- A Swap is a derivative contract through which two parties exchange the cash flows or liabilities from two different financial instruments. For example, in a currency swap there is a simultaneous exchange of fixed amount of currencies at different settlement dates.

- An FX Option (FXO) contract is an agreement under which a seller (writer) conveys to a buyer (holder) of a contract, the right but not the obligation to buy/sell a specified quantity of a currency at a specified exchange rate, on or before a specified date

- A Dual Currency Investment (DCI) is a non-principal protected currency linked structured investment offered to qualified investors with the objective of yield enhancement in a short period of time. It consists of a money market deposit and an FX option (FXO).

Branches
& Networks

Main Office Branch

G/F Maybank Corporate Centre
7th Ave. corner 28th Street
Bonifacio High Street Central
Bonifacio Global City, Taguig City
Tel. No.: (02) 7720-9578
(02) 8588-3730
Mobile No.: 0917 6718841

Legaspi Towers Center (LTC)

G/F Legaspi Towers 300
Roxas Boulevard corner
Pablo Ocampo Street
Malate, Manila, 1004
Tel. No.: (02) 8521-0803
(02) 8521-6167
Mobile No.: 0998 5926434

METRO MANILA

A. Mabini

G/F Metropolitan
Towers Condominium
1746 A. Mabini Street
Malate, Manila, 1004
Tel. No.: (02) 8526-0666
(02) 8526-0667
Mobile No.: 0998 592 6413

Ayala Alabang

1st Floor Commerceter,
Alabang, Muntinlupa City
Tel. No.: (02) 8842-9473
Mobile No.: 0998 5926442*

Ayala Avenue

Ground Floor, KPMG Center
6787 Ayala Avenue, Makati City
Tel. No. (02) 8240-9145
Mobile No. 0917 5083531

Bel-Air

G/F 357 New Solid Bldg.
Senator Gil Puyat Ave.
Makati City, 1200
Tel. No.: (02) 8890-4680
(02) 8890-4679
Mobile No.: 0998 5926417

Binondo

G/F Co Chin Leng Bldg.
567-569 Quintin Paredes Street
Binondo, Manila, 1006
Tel. No.: (02) 8247-4576
Mobile No.: 0998 5926419

Caloocan

ZLT Bldg., Rizal Ave. corner 10th Ave.
Caloocan City, 1400
Tel. No.: (02) 8364-5545
(02) 8364-5526
Mobile No.: 0998 5926423

Global City-Burgos Circle

G/F ACCRALAW Tower
2nd Ave. corner 30th Street
Bonifacio Global City
Taguig City, 1634
Tel. No.: (02) 7501-8691
(02) 8556-9831
Mobile No.: 0917 5716919

Global City-32nd Street

G/F Unit 6, Trade and Financial Tower
7th Ave. corner 32nd Street
Fort Bonifacio Global City
Taguig City, 1634
Tel. No.: (02) 8478-7961
(02) 8478-9499
Mobile No.: 0917 5665072

Greenhills

G/F Unit 2 Greenhills Mansions
37 Annapolis Street, Greenhills
San Juan, 1500
Tel. No.: (02) 8721-6163
(02) 8721-1895
Mobile No.: 0917 8139212

Katipunan Avenue

G/F Golan Plaza #333 Katipunan Ave
Loyola Heights, Quezon City, 1400
Tel. No.: (02) 8426 0199
Mobile No.: 0917 8151965

Las Piñas

Alabang-Zapote Rd.
Pamplona Tres, Las Piñas City, 1700
Tel. No.: (02) 8872-6649
(02) 8808-8384
Mobile No.: 0917 8147349

Makati Avenue

Street Giles Hotel corner Makati Ave.
& Kalayaan Ave. Poblacion, Makati City
Tel. No.: (02) 8553-8116 (02)
8553-8117
Mobile No.: 0917 8148390

Malabon

155-C Gov. Pascual Ave.
Acacia, Malabon City, 1470
Tel. No.: (02) 8990-4058 to 59
Mobile No.: 0917 8139831

Marikina

#54 Bayan-Bayanan Ave.
Concepcion Uno
Marikina City, 1800
Tel. No.: (02) 8516-3448
Mobile No.: 0917 8141511

Newport City

Unit R4 G/F Star Cruises Bldg.
110 Andrews Ave., Newport City
Cybertourism Zone, Pasay 1309
Tel. No.: (02) 8556-8583
(02) 8804-0691
Mobile No.: 0917 5062966

Ortigas

G/F Unit 101 Pacific Center Bldg.
San Miguel Ave., Ortigas Center
Pasig City, 1605
Tel. No.: (02) 8706-5270
Mobile No.: 0917 5671918

Quezon Avenue

The Upper Class Building
Quezon Avenue cor Scout Reyes
Paligsahan, Quezon City, 1103
Tel. No.: (02) 8866-4064
Mobile No.: 0998 9890348

Rufino

G/F Plaza 100 Bldg. V.A. Rufino
corner Dela Rosa Street
Legaspi Village, Makati City, 1229
Tel. No.: (02) 8856-5972
(02) 8856-5973
Mobile no.: 0917 803 9557



San Juan
G/F LM Bldg., 157 F. Blumentrit Street
San Juan City, 1500
Tel. No.: (02) 8724-3247
(02) 8725-9905
Mobile No.: 0917 8137594

Sucat, Parañaque
8212 Dr. A. Santos Ave.
Brgy. San Isidro, Parañaque City, 1700
Tel. No.: (02) 8822-1781
(02) 8825-2840
Mobile No.: 0998 5926439

Tomas Morato
G/F MJB Bldg.
220 Tomas Morato Ave.
corner Scout Lascano Street
Barangay Sacred Heart
Quezon City, 1103
Tel. No.: (02) 8920-9262
Mobile No. 0998 5926440

Valenzuela
209-211 McArthur Highway
Karuhatan, Valenzuela City, 1440
Tel. No.: (02) 8350-4845
(02) 8293-6483
Mobile No.: 0998 5926441

LUZON BRANCHES

Alaminos
1F Alling Bldg., Marcos Avenue
Brgy. Palamis, Alaminos City
Pangasinan, 2404
Tel. No.: (075) 551-3368
Mobile No.: 0917 5729989

Angeles
(relocated Nov 11 2024)
St. Dominic Square, Sto. Rosario St.
Brgy. Sto. Domingo,
Angeles City, Pampanga
Tel. No.: (045) 405-0530
Mobile No.: 0998-5926414

Baguio
#80 Rancho Guillermo Bldg.
North Drive, Baguio City, 2600
Tel. No.: (074) 422-7849
(02) 8245-4102
Mobile No.: 0998-5926415

Batangas City
P. Burgos Street
Batangas City
Tel. No.: (043) 980-1032
Mobile No.: 0998-5926416

Biñan
Km 35 National Highway
Brgy. San Antonio
Biñan City, Laguna, 4024
Tel. No.: (049) 511-3032 (049)
511-3005
Mobile No.: 0998 5926418

Cabanatuan
KM 114 Maharlika Highway
Cabanatuan, Nueva Ecija
Tel. No.: (044) 463-0726
(044) 463-3282
Mobile No.: 0915 9741200

Clark
Pavilion 8, Berthaphil III Clark Center
Jose Abad Santos Ave.
Clark Freeport Zone Clark
Pampanga, 2023
Tel. No.: (045) 499-2125
Mobile No.: 0998 5926424

Dagupan
290 A. B. Fernandez Ave.
Dagupan City, Pangasinan, 2400
Tel. No.: (075) 523-1194
Mobile No.: 0998 5926426

Laoag
Brgy. 16, Villanueva Street
Laoag City, 2900
Tel. No.: (077) 772-0050
(077) 770-3643
Mobile No.: 0917 8149337

Lipa
C.M. Recto Ave. corner Rizal Street
Lipa City, Batangas, 4217
Tel. No.: (043) 702-1695
Fax No. (043) 702-1600
Mobile No. 0917 5708394

Lucena
Quezon Ave. corner Lakandula Street
Lucena City, 4301
Tel. No.: (042) 797-1649
Mobile No.: 0917-8136534

Meycauayan
G/F EMCCO Building
MacArthur Highway
Calvario, Meycauayan
Bulacan, 3020
Tel. No.: (044) 769-9680
Mobile No.: 0917 5755348

Naga
G/F BDPHI Bldg.
Bicol Diamond Property Holding Inc.
corner Panganiban Street
and Peñafrancia Ave., Naga City, 4400
Tel No. (054) 881- 2009
Mobile No. 0998 5926435

San Fernando
G/F Odette Grace Bldg.
MacArthur Highway, Dolores
San Fernando, Pampanga, 2000
Tel. No.: (02) 8359-0623
Mobile No.: 0917 8076857

Santiago, Isabela
Camacam Street City Road
Santiago, Isabela, 3311
Tel. No.: (078) 305-3089
(078) 305-3093
Mobile No.: 0998 5926438

Sta. Rosa
J.P. Rizal Blvd. corner
F. Gomez Street
Sta. Rosa City, Laguna, 4026
Tel. No.: (049) 8520-8686
Mobile No.: 0917 5707309

Subic
G/F Formosa Tower, Lot 7A Block B
Subic Commercial & Light Industrial Park
Manila Ave., Subic Bay
Freeport Zone, 2209
Tel. No.: (047) 250-3537
(047) 250-3538
Mobile No.: 0917 3165689

Tarlac
Unit 105 & 106 A Benry Square
No. 1 F. Tañedo Street
Tarlac City, 2300
Tel. No.: (045) 491-2062
Mobile No.: 0917 5718386

Urdaneta
MacArthur Highway
Urdaneta City
Pangasinan, 2428
Tel. No.: (075) 656-2401
Mobile No.: 0917 5527509

Vigan
G/F GSP Bldg.
Leona Florentino corner Plaridel Sts.
Vigan City Ilocos Sur, 2700
Tel. No.: (077) 722-2836
(077) 632 0247
Mobile No.: 0917 5716765

VISAYAS BRANCHES

Bacolod
G/F R & B Bldg.
corner Hilado Street and Narra Street
Capitol Shopping Center
Bacolod City, 6100
Tel. No.: (034) 435-1443
(034) 435-0050
Mobile No.: 0917 5764645

Cebu Business Center
Zenith Central, Lot 2 Blk 19
Luzon Ave., Cebu Business Park
Cebu City, 6000
Tel. No.: (032) 520-5425
Mobile No.: 0917 5635494

Cebu Downtown
137 Plaridel Street
Cebu City, 6000
Tel. No.: (032) 412-0433
(032) 253-0393
Mobile No.: 0998 5926445

Cebu-Mandaue
Lopez Jaena Street
National Highway, Subangdaku
Mandaue City, 6000
Tel. No.: (032) 268-0829
(032) 268-0832
Mobile No.: 0917 8142079

Iloilo
G/F J & B Bldg. II
corner Ledesma Street and
Mabini Street, Iloilo City, 5000
Tel. No.: (033) 337-0107
Mobile No.: 0998 5926431

Iloilo-Jaro
No. 12 Lopez Jaena Street
Jaro, Iloilo City, 5043
Tel. No.: (033) 503-2621
(033) 321-2207
Mobile No.: 0917 8153227

Roxas
1068 Roxas Ave.
Roxas City, 5800
Tel. No.: (036) 621-0561
(036) 522-1007
Mobile No.: 0998 5926437

MINDANAO BRANCHES

Butuan
Jose C. Quirino Ave., Butuan City
Agusan Del Norte 8600
Tel. No.: (085) 341-0224
Mobile No.: 0998 5926420

Cagayan de Oro
Pioneer House CDO
corner A. Velez Street
& Mabini Street
Cagayan de Oro City, 9000
Tel. No.: (088) 857-4439
(082) 880-0042
Mobile No.: 0998 5926421

Davao Business Center
G/F HAI Bldg.
Pryce Business Park
JP Laurel Ave. Davao City, 8000
Tel. No.: (082) 224-3807
(082) 222-0295
Mobile No.: 0917 5745438

Davao, Lanang
Nova Tierra Square, Bo. Pampanga
Lanang Sasa, Davao City, 8000
Tel. No.: (082) 233-1357
Mobile No.: 0998 5926428

Davao, Monteverde
Units A and B, GF Veterans Bldg.
Monteverde St. Davao City, 8000
Tel. No.: (082) 227-8904
Mobile No.: 0917 5705787

Zamboanga
G/F BG Bldg. Veterans Ave.
Zamboanga City, 7000
Tel. No.: (062) 992-6772
(062) 992-6759
Mobile No.: 0917-3037592

BRANCH LITES

Commonwealth
The Shire Building,
Lot 25 Blk 11 Commonwealth Avenue
Brgy. Holy Spirit 1127, Quezon City

Legazpi
GF RRL Building
LANDCO Business Park
Legazpi City, 4500
Tel. No.: (052) 742-7314

General Santos
RDRDC Building, GF RD-A #3
Catolico Avenue,
General Santos City, 9500
Tel. No.: (083) 520-5535

Roxas
Citymall - Roxas Avenue
Ground Floor T104 and T105
Roxas Avenue, Brgy. IX
Roxas City, Capiz, 5800
Tel. No.: (033) 6620-5007

Sta. Rosa Estate
Unit 214 & 217B,
Upper Ground Floor Arcadia Bldg.
Paseo Outlets, San Bruno Drive cor.
Tagaytay-Balibago Road, Greenfield City
Santa Rosa City, Laguna
Tel. No.: (049) 521-8227

Tagum
SG Complex Building 2, PRK.
Tandang Sora, National Highway
Magugpo Poblacion, Tagum City
Davao Del Norte
Tel. No.: (084) 829-1843



Tuguegarao
NGN Building, Phase 1, Maharlika Highway corner Enrile Avenue, Zone 7 Caggay, Tuguegarao City, Cagayan
Tel. No.: (078) 846-6764

Tacloban
(Opening Date 29 April 2024)
Level 1 Unit 135, Unit XX116 Robinsons Place Tacloban National Highway, Tabuan, Marasbaras, Tacloban City
Tel. No.: (065) 917-2709

PREMIER WEALTH

Main Office Branch
7th Ave. cor 28th St., Bonifacio Highstreet, Bonifacio Global City Taguig City, Metro Manila
Tel No.: (02) 8842-9422
(02) 8842-9473

Ayala Alabang
1st Floor Commercenter Alabang, Muntinlupa City
Tel. No.: (02) 8842-9422
(02) 8842-9473

Ayala Avenue
8th Floor, KPMG Center 6787 Ayala Avenue, Makati City
Tel. No.: (02) 8842-9422
(02) 8842-9473

Bacolod
G/F R & B Bldg. corner Hilado Street and Narra Street Capitol Shopping Center Bacolod City, 6100
Tel. No.: (034) 435-1443
(034) 435-0050

Binondo
2F Co Chin Leng Bldg. 567-569 Quintin Paredes Street Binondo, Manila, 1006
Tel. No.: (02) 8663-0164

Cebu Business Center
Zenith Central, Lot 2 Blk 19 Luzon Ave., Cebu Business Park Cebu City, 6000
Tel. No.: (032) 520-5425
(032) 520-5038

Davao Business Center
G/F HAI Bldg. Pryce Business Park JP Laurel Ave. Davao City, 8000
Tel. No.: (082) 222-0295
(082) 222-0328

Greenhills
3F Unit 2 Greenhills Mansions 37 Annapolis Street, Greenhills San Juan, 1500
Tel. No.: (02) 8721-6163
(02) 8721-1895

Iloilo
G/F J & B Bldg. II corner Ledesma Street and Mabini Street, Iloilo City, 5000
Tel. No.: (033) 337-1707
(033) 337-9607

Quezon Avenue
The Upper Class Bldg. Quezon Avenue cor. Scout Reyes Quezon City
Tel. No.: (02) 8588-3777 loc. 2824

San Fernando
G/F Odette Grace Bldg. McArthur Highway, Dolores San Fernando City, Pampanga
Tel. No.: (045) 961-5013
(045) 961-2274

LENDING CENTERS

Alabang Lending Center
2F Commerce Center Alabang, Commerce Ave., Filinvest Corp City Alabang, Muntinlupa, 1781
Tel No.: (02) 8563-3055

Angeles Satellite Desk
Stall#123, St. Dominic Square Sto Rosario St., Brgy. Sto Domingo Angeles City, Pampanga, 2009
Tel. No.: (045) 405-0530

Aseana Lending Center
East Tower, GF 8912 Aseana Ave., Brgy. Tambo Parañaque City, 1701
Tel. No.: (02) 8283-9931

Bacolod Satellite Desk
2F R&B Bldg., Hilado St. cor Narra Ave. Capitol Shopping Center Brgy. Villamonte, Bacolod City Negros Occidental, 6100
Tel. No.: (034) 435-0050

Baguio Lending Center
8o North Drive, Baguio City
Tel. No.: (074) 3042104

Butuan Satellite Desk
J.C Aquino Avenue Butuan City Agusan del Norte, 8600
Tel No.: (085) 817-7871

Cabanatuan Satellite Desk
Km 114 Bernardo District Maharlika Highway, Cabanatuan City, Nueva Ecija
Tel. No.: (044) 958-7147

Cagayan De Oro Lending Center
BG Bldg., Veterans Ave. Zamboanga City
Tel No.: (062) 991-6195

Caloocan Lending Center
No. 504 EDSA Corner Urbano Plata Street, Barangay 87, Caloocan City

Cebu Lending Center
Zenith Central Building Ground Floor, Luzon Avenue Cebu Business Park, Cebu City
Tel. No.: (032) 520-5038
(032) 236-0797

Dagupan Lending Center
A.B. Fernandez Avenue, Brgy. 1 Dagupan City, Pangasinan
Tel. No.: (075) 529-5043
(075) 515-7380

Davao Lending Center
HAI Global Building Pryce Business Park J.P. Laurel Ave., Barangay 19-B Davao City
Tel No.: (082) 224-2794

Iloilo Lending Center
No. 12 Lopez Jaena St. Jaro Iloilo City, 5000
Tel. No.: 0999 9908447

Isabela Satellite Desk
City Road cor Camacam St. Santiago City, Isabela

Laoag Satellite Desk
9 Gov. Villanueva St, Brgy. 16 Laoag City
Tel. No.: (077) 7703151

Lipa Lending Center
C M Recto Avenue corner Rizal Street Lipa City, Batangas, 4217
Tel. No.: 043-702 5865
043-702 4552

Meycauayan Satellite Desk
Emco Bldg., MacArthur Highway Calvario, Meycauayan, Bulacan
Tel. No.: (044) 769-9680

Naga Lending Center
2F Maybank Naga BDPH Bldg Panganiban cor. Peñafrancia Avenue, Naga City
Tel. No.: 09190627651

Ortigas Lending Center
Unit 708 Pacific Center Building San Miguel Avenue, Pasig City

Quezon Avenue Lending Center
The Upper Class Building Quezon Avenue Cor. Scout Reyes Brgy. Pinagkaisahan Quezon City

San Fernando Lending Center
Odette Grace Bldg., Dolores City of San Fernando, Pampanga

Tarlac Satellite Desk
Unit 107 Benry Square Building #o1 F. Tañedo Street Tarlac City, Tarlac
Tel. No.: (045) 309-3884

Urdaneta Lending Center
Poblacion, McArthur Highway Urdaneta City, Pangasinan
Tel. No.: (075) 656-2402

Zamboanga Satellite Desk
BG Bldg., Veterans Avenue Zamboanga City, 7000
Tel. No.: (062) 991-6195

ISLAMIC BANKING WINDOW

Cebu Business Center
Zenith Central, Lot 2 Blk 19 Luzon Ave., Cebu Business Park Cebu City, 6000

Davao Business Center
G/F HAI Bldg. Pryce Business Park JP Laurel Ave. Davao City, 8000

Greenhills
G/F Unit 2 Greenhills Mansions 37 Annapolis Street, Greenhills San Juan, 1500

Main Office Branch
G/F Maybank Corporate Centre 7th Ave. corner 28th Street Bonifacio High Street Central Bonifacio Global City, Taguig City

Zamboanga
G/F BG Bldg. Veterans Ave. Zamboanga City, 7000



Humanising

Financial Services



Maybank

Maybank Philippines, Inc.

Maybank Corporate Center
7th Avenue corner 28th Street
Bonifacio High Street Central
Bonifacio Global City
Taguig City 1634
Metro Manila, Philippines

www.maybank.com.ph



A member of BancNet and PDIC.

Deposits are insured by PDIC up to P1 Million per depositor.

For inquiries, please call our Customer Care at (02) 8588 3888
PLDT Domestic Toll-Free 1-800-10-588-3888
or email mpi.customerservice@maybank.com

Maybank Philippines is regulated by the Bangko Sentral ng Pilipinas.

www.bsp.gov.ph