



PHILIPPINE SAVINGS BANK
Metrobank Group

November 14, 2025

Philippine Stock Exchange
6/F PSE Tower, 28th St. cor. 5th Ave.
Bonifacio Global City (BGC)
Taguig City, Philippines

Attention: ATTY. JOHANNE DANIEL M. NEGRE
Officer-in-Charge, Disclosure Department

Subject: Submission of SEC 17-Q - (Quarterly Report) as of September 30, 2025

.....

Dear Atty. Negre:

Pursuant to the reportorial requirements of Section 17 of the Securities Regulation Code and Sections 25 and 177 of the Revised Corporation Code of the Philippines, we hereby submit a copy of SEC Form 17-Q of Philippine Savings Bank as of September 30, 2025.

We hope that you will find everything in order.

Thank you very much.

Very truly yours,

Leah M. Zamora
Controller
lmzamora@psbank.com.ph / 02-88858208

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended : **September 30, 2025**
2. Commission identification number : **15552**
3. BIR tax identification number : **000-663-983-000**
4. Exact name of registrant as specified in its charter : **PHILIPPINE SAVINGS BANK**
5. Province, country or other jurisdiction of incorporation or organization : **City of Manila, Philippines**
6. Industry classification code : (SEC Use Only)
7. Address of registrant's principal office : **PSBank Center, 777 Paseo de Roxas cor. Sedeño St., Makati City 1226**
8. Registrant's telephone number, including area code : **(632) 8885-8208**
9. Former name, former address and former fiscal year, if changed since last report : **Not applicable**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:
- | | | |
|--------------------------------------------------|---|----------------------|
| Title of each class | : | Common Shares |
| Number of shares of common stock outstanding | : | 426,859,416 |
| Amount of debt outstanding (Unpaid Subscription) | : | None |
11. Are any or all of the securities listed on the Philippine Stock Exchange? : **Yes**
12. Indicate by check mark whether the registrant:
- (a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports).
- Yes [] No []
- (b) Has been subject to such filing requirements for the past 90 days.
- Yes [] No []

PART I – FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

Attached are the following:

Unaudited Interim Statements of Condition	Annex 1
Unaudited Interim Statements of Income	Annex 2
Unaudited Interim Statements of Comprehensive Income	Annex 3
Unaudited Interim Statements of Changes in Equity	Annex 4
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Unaudited Schedule of Financial Soundness Indicators	Annex 7

ITEM II. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

Aging of Receivables Annex 8

Annex 9

PART II – OTHER INFORMATION

1. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of September 30, 2025:

Name of Stockholder	Outstanding Number of Shares	Percent to Total No. of Shares
Metropolitan Bank and Trust Co. ¹	377,279,068	88.38%
De Leon, Maria Soledad S.	26,982,249	6.32%

¹ Includes 206,331,982 shares lodged with PCD Nominee Corp.

As of September 30, 2025, there is no person who holds more than 5% of the Bank's securities lodged with PCD Nominee Corporation.

Minimum Public Ownership

As of September 30, 2025, public ownership of the Bank was at 11.61%. Of the total shares issued, 2.47 million shares or 0.58% represents foreign ownership.

2. Legal Proceedings

The Bank in the course of its operations and in running its business has several legal cases that are filed in its behalf and against it. However, these cases will not give any material effect to its financial status nor would have any material impact in continuing its operations. These cases are part of its daily business activities and consequence of its collection efforts and business dealings with the public.

3. Board Resolutions

All material disclosures of the Bank had been made under SEC 17-C.

SIGNATURE

Pursuant to requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on behalf by the undersigned thereunto duly authorized.

PHILIPPINE SAVINGS BANK
By:

LEAH M. ZAMORA
Senior Vice President/ Controller

JOSE VICENTE L. ALDE
President

Date: November 14, 2025

REPUBLIC OF THE PHILIPPINES
CITY OF MAKATI) S.S.

NOV 14 2025

SUBSCRIBED AND SWORN TO before me this _____ affiant exhibiting to me his identification as follows:

Name	Passport/SSS No.	Date of Issuance	Place of Issuance
Jose Vicente L. Alde	-	-	-
Leah M. Zamora	-	-	-

Doc no. 236
Page no. 49
Book no. 34
Series of 2025

ATTY. ROMEO S. MASANGYA, JR.
PROL NO. 45164
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M-D11 UNTIL DECEMBER 31, 2024
MCLE COMPLIANCE NO. VIII-0012723 APRIL 14, 2024
IBP LIFETIME NO. 019663, 01/03/2018 MAKATI CITY
PTR NO. 10465509, 01/02/2025 MAKATI CITY
EZZANINE FLR, PSBANK CENTER NO. 777 PASEO DE ROXA,
COR. SEDENO ST. MAKATI CITY
TEL NO. (02)8511-8042

Philippine Savings Bank

Interim Financial Statements

As of September 30, 2025 (Unaudited) and December 31, 2024 (Audited)
and for the nine months ended September 30, 2025 and 2024 (Unaudited)

Annex 1**PHILIPPINE SAVINGS BANK****ITEM I. FINANCIAL STATEMENTS****UNAUDITED INTERIM STATEMENTS OF CONDITION****(With Comparative Audited Figures as at December 31, 2024)**

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Cash and Other Cash Items	P1,720,338,080	P1,781,441,158
Due from Bangko Sentral ng Pilipinas	557,687,389	1,183,357,292
Due from Other Banks	1,561,289,250	1,815,099,522
Interbank Loans Receivable and Securities Purchased		
Under Resale Agreements	3,519,204,680	400,000,000
Fair Value Through Profit or Loss (FVTPL) Investments	254,568,004	300,599,156
Financial Assets at Fair Value Through Other Comprehensive		
Income (FVOCI)	22,613,583,307	25,892,190,851
Investment Securities at Amortized Cost	27,197,404,968	30,096,321,212
Loans and Receivables	153,233,484,494	143,823,452,568
Investment in a Joint Venture	898,203,739	892,036,809
Property and Equipment	3,054,691,599	3,193,122,788
Investment Properties	3,517,501,060	3,640,816,902
Deferred Tax Assets	1,317,580,238	1,318,508,161
Goodwill and Intangible Assets	438,876,475	460,788,987
Other Assets	2,424,347,398	1,559,037,180
	P222,308,760,681	P216,356,772,586
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Demand	P25,271,606,160	P25,535,370,093
Savings	48,312,440,834	47,745,087,366
Time	90,067,503,645	91,272,571,647
	163,651,550,639	164,553,029,106
Bills Payable	1,188,912,650	-
Bonds Payable	4,955,451,582	-
Treasurer's, Cashier's and Manager's Checks	961,941,305	1,615,438,412
Accrued Taxes, Interest and Other Expenses	2,101,468,161	2,246,446,273
Other Liabilities	3,295,167,887	3,835,930,737
	176,154,492,224	172,250,844,528
Equity		
Common Stock	4,268,594,160	4,268,594,160
Capital Paid in Excess of Par Value	11,418,563,257	11,418,563,257
Surplus Reserves	1,049,164,350	1,049,164,351
Surplus	30,266,034,152	28,380,653,358
Fair Value Reserves on Financial Assets at FVOCI	178,348,760	16,969,885
Remeasurement Losses on Retirement Plan	(1,038,514,167)	(1,038,514,167)
Equity in Remeasurement Gains on Retirement Plan		
of a Joint Venture	2,421,056	2,421,056
Cumulative Translation Adjustment	9,656,889	8,076,158
	P46,154,268,457	44,105,928,058
	P222,308,760,681	P216,356,772,586

Annex 2**PHILIPPINE SAVINGS BANK****UNAUDITED INTERIM STATEMENTS OF INCOME**

	For the Quarters Ended September 30 (Unaudited)		For the Nine Months Ended September 30 (Unaudited)	
	2025	2024	2025	2024
INTEREST INCOME				
Loans and receivables	₱3,642,983,139	₱3,241,876,460	₱10,863,519,173	₱9,419,434,284
Financial assets at FVOCI and investment securities at amortized cost	661,326,015	685,746,275	1,926,528,051	2,551,611,016
Interbank loans receivable and securities purchased under resale agreements	49,974,250	87,045,095	161,694,001	300,457,625
Due from Bangko Sentral ng Pilipinas	13,089,597	90,097,070	44,635,613	310,475,541
FVTPL investments	3,581,093	6,456,092	8,963,419	39,657,688
Due from other banks	2,329,367	2,101,392	5,477,147	7,778,051
	4,373,283,461	4,113,322,384	13,010,817,404	12,629,414,205
INTEREST EXPENSE				
Deposit liabilities	1,022,466,581	1,033,953,602	3,045,820,093	3,415,415,294
Bonds Payable	37,587,625	–	37,587,625	–
Lease liabilities	18,056,422	21,316,601	56,981,417	60,457,451
Bills payable	17,529,062	2,597,025	25,395,562	14,296,519
	1,095,639,690	1,057,867,228	3,165,784,697	3,490,169,264
NET INTEREST INCOME	3,277,643,771	3,055,455,156	9,845,032,707	9,139,244,941
Service fees and commission income	404,284,750	501,104,092	1,334,426,500	1,446,036,599
Service fees and commission expense	23,872,400	26,789,280	50,921,001	63,952,657
NET SERVICE FEES AND COMMISSION INCOME	380,412,350	474,314,812	1,283,505,499	1,382,083,942
OTHER OPERATING INCOME (CHARGES)				
Gain on foreclosure and sale of investment properties - net	110,990,699	72,369,463	286,469,096	319,761,016
Trading and securities gains - net	68,767,748	18,454,617	100,548,662	19,042,114
Foreign exchange gain - net	5,604,522	11,101,484	11,915,624	9,250,906
Gain on sale of property and equipment	1,380,157	540,695	3,038,345	3,198,968
Gain (loss) on foreclosure and sale of chattel mortgage properties - net	(73,389,159)	44,786,855	(263,988,759)	282,526,108
Miscellaneous	164,837,175	116,481,894	527,393,373	383,145,232
	278,191,142	263,735,008	665,376,341	1,016,924,344
TOTAL OPERATING INCOME	₱3,936,247,263	₱3,793,504,976	₱11,793,914,547	₱11,538,253,227

(Forward)

	For the Quarters Ended September 30		For the Nine Months Ended September 30	
	(Unaudited)		(Unaudited)	
	2025	2024	2025	2024
OTHER EXPENSES				
Compensation and fringe benefits	₱1,020,852,242	₱1,021,398,540	₱3,080,382,377	₱3,060,534,629
Provision for credit and impairment losses	666,273,769	12,032,289	1,541,482,114	358,085,304
Taxes and licenses	377,854,929	369,230,911	1,111,783,423	1,163,470,572
Depreciation	273,061,994	242,196,731	789,224,952	701,905,301
Security, messengerial, and janitorial services	149,981,149	152,625,377	415,886,389	408,714,031
Occupancy and equipment-related costs	102,902,941	84,686,174	244,099,391	264,935,426
Amortization of intangible assets	42,784,736	24,644,618	102,605,474	75,120,891
Miscellaneous	509,738,513	398,426,831	1,274,723,510	1,234,189,731
	3,143,450,273	2,305,241,471	8,560,187,630	7,266,955,885
INCOME BEFORE SHARE IN NET INCOME OF A JOINT VENTURE AND INCOME TAX	792,796,990	1,488,263,505	3,233,726,917	4,271,297,342
SHARE IN NET INCOME OF A JOINT VENTURE	6,503,416	17,317,904	44,146,912	59,398,673
INCOME BEFORE INCOME TAX	799,300,406	1,505,581,409	3,277,873,829	4,330,696,015
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	147,041,872	188,464,206	431,131,425	640,519,347
Deferred	(29,172,815)	(122,198,354)	927,923	(312,556,546)
	117,869,057	66,265,852	432,059,348	327,962,801
NET INCOME	₱681,431,349	₱1,439,315,557	₱2,845,814,481	₱4,002,733,214
Basic/Diluted Earnings Per Share	₱1.60	₱3.37	₱6.67	₱9.38

PHILIPPINE SAVINGS BANK
UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)			
	For the Quarters Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
NET INCOME	₱681,431,349	₱1,439,315,557	₱2,845,814,481	₱4,002,733,214
OTHER COMPREHENSIVE INCOME (LOSS)				
<i>Items that recycle to profit or loss in subsequent periods:</i>				
Equity in Hedge Reserve of Associates and Joint Venture	-	-	-	(9,707,213)
Fair value reserves on debt securities at FVOCI	60,964,262	362,189,768	157,887,855	266,721,538
Cumulative translation adjustment	2,737,137	(878,898)	1,580,730	(90,601)
	63,701,399	361,310,870	159,468,585	256,923,724
<i>Items that do not recycle to profit or loss in subsequent periods:</i>				
Equity in remeasurement losses on retirement plan of a joint venture	-	-	-	(3,757,296)
Fair value reserves on equity securities at FVOCI	(2,010,103)	1,174,807	3,491,020	8,611,289
	(2,010,103)	1,174,807	3,491,020	4,853,993
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	61,691,296	362,485,677	162,959,605	261,777,717
TOTAL COMPREHENSIVE INCOME, NET OF TAX	₱743,122,645	₱1,801,801,234	₱3,008,774,086	₱4,264,510,931

PHILIPPINE SAVINGS BANK

UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Capital Paid in Excess of Par Value	Surplus Reserves	Surplus	Fair Value Reserves on Financial Assets at FVOCI	Remeasurement Losses on Retirement Plan	Equity in Remeasurement Gains on Retirement Plan of a Joint Venture	Equity in Hedge Reserves of a Joint Venture	Cumulative Translation Adjustment	Total
Balance at January 1, 2025	₱4,268,594,160	₱11,418,563,257	₱1,049,164,350	₱28,380,653,358	₱16,969,885	(₱1,038,514,167)	₱2,421,056	₱-	₱8,076,158	₱44,105,928,057
Total comprehensive income for the period	-	-	-	2,845,814,480	161,378,875	-	-	-	1,580,731	3,008,774,086
Cash dividends	-	-	-	(960,433,686)	-	-	-	-	-	(960,433,686)
Balance at September 30, 2025 (Unaudited)	₱4,268,594,160	₱11,418,563,257	₱1,049,164,350	₱30,266,034,152	₱178,348,760	(₱1,038,514,167)	₱2,421,056	₱-	₱9,656,889	₱46,154,268,457
Balance at January 1, 2024	₱4,268,594,160	₱11,418,563,257	₱1,046,398,969	₱24,455,554,572	₱70,794,457	(₱1,129,174,728)	₱6,178,352	₱9,707,213	₱7,541,664	₱40,154,157,916
Total comprehensive income for the period	-	-	-	4,002,733,214	275,332,826	-	(3,757,296)	(9,707,213)	(90,601)	4,264,510,930
Cash dividends	-	-	-	(960,433,686)	-	-	-	-	-	(960,433,686)
Balance at September 30, 2024 (Unaudited)	₱4,268,594,160	₱11,418,563,257	₱1,046,398,969	₱27,497,854,100	₱346,127,283	(₱1,129,174,728)	₱2,421,056	₱-	₱7,451,063	₱43,458,235,160

PHILIPPINE SAVINGS BANK

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

For the Nine Months Ended September 30

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱3,277,873,829	₱4,330,696,015
Adjustments to reconcile income before income tax to net cash provided by operations:		
Provision for credit and impairment losses	1,541,482,114	358,085,304
Depreciation	789,224,952	701,905,301
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	68,178,273	(1,085,465,529)
Loss (gain) on foreclosure and sale of:		
Investment properties	(286,469,096)	(319,761,016)
Chattel mortgage properties	263,988,759	(282,526,108)
Amortization of:		
Intangible assets	102,605,474	75,120,891
Lease Liabilities	56,981,417	60,457,451
Accretion of modified loans	(11,647,845)	(32,676,318)
Realized gain on sale of financial assets at (FVOCI)	(100,487,646)	(24,304,597)
Share in net income of a joint venture	(44,146,912)	(55,641,377)
Fair value loss on fair value through profit or loss investments	1,669,110	8,750
Gain on sale of property and equipment	(3,038,345)	(3,198,968)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Fair value through profit or loss investments	44,362,042	210,091,356
Loans and receivables	(14,940,296,298)	(16,883,526,275)
Other assets	(370,606,185)	(9,319,120)
Increase (decrease) in:		
Deposit liabilities	(900,768,899)	(22,865,057,479)
Treasurer's, cashier's and manager's checks	(653,497,107)	260,211,728
Accrued taxes, interest and other expenses	(144,976,591)	(433,561,516)
Other liabilities	(456,415,135)	107,634,415
Cash generated from operations	(11,765,984,089)	(35,890,827,092)
Dividends received from joint venture investment	37,979,981	32,699,984
Income taxes paid	(431,131,425)	(629,183,629)
Net cash provided by operating activities	(12,159,135,533)	(36,487,310,737)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of:		
Financial assets at FVOCI	(24,075,989,214)	(208,729,897,240)
Investment securities at amortized cost	(484,319,985)	-
Property and equipment	(172,743,020)	(168,659,563)
Other intangible assets	(103,047,155)	(10,719,083)
Proceeds from sale/maturities of:		
Financial assets at FVOCI	27,674,634,506	243,302,403,928
Investment securities at amortized cost	3,256,774,000	1,662,791,500
Chattel mortgage properties	2,824,094,269	2,458,831,929
Investment properties	600,049,347	662,380,199
Property and equipment	40,077,865	28,353,636
Net cash provided (used) in investing activities	₱9,559,530,613	₱39,205,485,306

(Forward)

For the Nine Months Ended September 30

	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlements of bills payable	(P6,304,578,668)	(P1,879,835,304)
Availments of bills payable	7,493,491,318	1,607,938,843
Payment of lease liabilities	(406,606,604)	(393,307,682)
Dividends paid	(960,433,686)	(960,433,686)
Issuance of bonds payable	4,955,451,582	–
Net cash provided by financing activities	4,777,323,943	(1,625,637,829)
Effect of exchange rate differences	60,901	(2,499)
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,177,779,924	1,092,534,241
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and other cash items	1,781,441,158	1,653,554,961
Due from Bangko Sentral ng Pilipinas	1,183,357,292	9,745,633,911
Due from other banks	1,816,578,180	1,765,438,984
Interbank loans receivable and securities purchased under resale agreements	400,000,000	6,989,635,680
	5,181,376,630	20,154,263,536
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and other cash items	1,720,338,080	2,052,387,908
Due from Bangko Sentral ng Pilipinas	557,687,389	10,600,471,608
Due from other banks	1,561,926,405	1,293,938,261
Interbank loans receivable and securities purchased under resale agreements	3,519,204,680	7,300,000,000
	P7,359,156,554	P21,246,797,777
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest paid	P3,254,102,834	P3,751,078,992
Interest received	13,389,791,734	11,853,480,423

PHILIPPINE SAVINGS BANK

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Philippine Savings Bank (the Bank) was incorporated in the Philippines primarily to engage in savings and mortgage banking. The Bank's shares are listed in the Philippine Stock Exchange (PSE). The Bank offers a wide range of products and services such as deposit products, loans, treasury and trust functions that mainly serve the retail and consumer markets. On September 6, 1991, the Bank was authorized to perform trust functions.

As of September 30, 2025 and December 31, 2024, the Bank had 250 branches. The Bank had 272 Automated Teller Machines (ATMs) on-site and 243 off-site, bringing its total number of ATMs to 515 as of September 30, 2025 and 528 as of December 31, 2024.

The Bank's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on June 30, 1959. On March 28, 2006, the Board of Directors (BOD) of the Bank approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate term of the Bank, which expired on June 30, 2009, for another 50 years or up to June 30, 2059. This was subsequently approved by stockholders representing at least two-thirds of the outstanding capital stock of the Bank on April 25, 2006. The Amended Articles of Incorporation was approved by the SEC on September 27, 2006.

On April 27, 2010, by majority vote of the BOD and by stockholders representing two-thirds of the outstanding capital stock, the amendment of Article VI of its Amended Articles of Incorporation reducing the number of directors from a maximum of eleven (11) to a maximum of nine (9) has been approved. This was approved by the SEC on August 26, 2010.

On March 24, 2014, the BOD approved Article III of Articles of Incorporation to specify its principal address from Makati City to PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City 1226. The Amended Articles of Incorporation was approved by the SEC on December 22, 2014.

As of September 30, 2025 and December 31, 2024, Metropolitan Bank & Trust Company (MBTC), the Bank's ultimate parent, owned eighty-eight percent (88.38%) of the Bank.

2. Significant Accounting Policies**Basis of Preparation**

The accompanying unaudited interim condensed financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the interim condensed financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Bank's annual audited financial statements as of December 31, 2024.

The condensed financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) that have been measured at fair value. The unaudited interim condensed financial statements are presented in Philippine Peso (₱), and all values are rounded to the nearest Philippine Peso, except as otherwise indicated.

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

Presentation of Financial Statements

The Bank presents its statements of condition in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within twelve (12) months after the statement of condition date (current) and more than 12 months after the statement of condition date (non-current) is presented in Note 14.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of condition 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 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 solvency or bankruptcy of the Bank and all of the counterparties.

Income and expenses are not offset in the statements 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 as at January 1, 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 new standards did not have an impact on the financial statements of the Bank.

- Amendments to PAS 21 *Lack of Exchangeability*

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

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards (PFRS) requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent assets and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The effects of any change in judgments, estimates and assumptions are reflected in the financial statements as they become reasonably determinable. Judgments, estimates and assumptions 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.

There have been no significant changes accounting judgments and estimates of the Bank, as disclosed in the 2024 audited financial statements.

3. Fair Value Measurement

Financial Instruments

The following describes the methodologies and assumptions used to determine the fair values of financial instruments:

Cash and other cash items, due from BSP, due from other banks, interbank call loans receivable and SPURA, accounts receivable, accrued interest receivable, bills purchased, returned checks and other cash items (RCOCI), shortages, petty cash fund, and liquidity requirement for e-money - Carrying amounts approximate fair values due to the relatively short-term maturities of these assets.

Debt investments - Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology, using rates currently available for debt on similar terms, credit risk and remaining maturities.

Equity investments - Fair values are based on quoted prices published in markets.

Receivable from customers, sales contract receivables and security deposits- Fair values are estimated using the discounted cash flow methodology, using the Bank's current lending rates for similar types of loans. The discount rates used range from 3.00% to 36.22% in September 2025 and December 2024.

Demand deposits, savings deposits, treasurer's, cashier's and manager's checks, accrued interest payable, accounts payable, bills purchased-contra, other credits, deposits for keys-SDB, payment orders payable and overages - Carrying amounts approximate fair values due to either the demand nature or the relatively short-term maturities of these liabilities.

Bonds payable and time deposits - Fair values are estimated using the discounted cash flow methodology using the Bank's borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued.

The inputs used in the fair value measurement based on Level 2 are as follows:

Government securities - interpolated rates based on market rates of benchmark securities as of statement of condition date.

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

Non-financial Assets

Investment properties - Fair values of the investment properties have been determined based on valuations performed by independent external and in-house appraisers using valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales of similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restriction, building coverage and floor area ratio restrictions among others. Other significant unobservable inputs include shape, location, time element, discount and corner influence. The fair value of investment properties is based on its highest and best use, which is its current use.

The following tables summarize the carrying amount and fair values of the Bank's financial instruments and investment properties, analyzed based on the hierarchy described in Note 2 (in thousands):

	September 30, 2025 (Unaudited)				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	P254,568	P254,568	P-	P-	P254,568
Financial assets at FVOCI					
Government debt securities	22,233,497	1,879,137	20,354,360	-	22,233,497
Private debt securities	342,231	246,328	95,903	-	342,231
Equity securities	37,855	37,855	-	-	37,855
	P22,868,151	P2,417,888	P20,450,263	P-	P22,868,151
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	P27,046,687	P15,740,864	P10,764,657	P-	P26,505,521
Private	150,718	150,862	-	-	150,862
Loans and receivables					
Receivables from customers					
Consumption loans	95,251,338	-	-	107,483,308	107,483,308
Real estate loans	45,953,722	-	-	70,855,004	70,855,004
Commercial loans	8,071,476	-	-	8,185,301	8,185,301
Personal loans	1,720,098	-	-	1,829,164	1,829,164
Sales contract receivable	3,484	-	-	3,657	3,657
Security deposits	215,785	-	-	304,872	304,872
Non-Financial Assets					
Investment properties	3,517,501	-	-	6,416,901	6,416,901
	P181,930,809	P15,891,726	P10,764,657	P195,078,207	P221,734,590
Liabilities for which fair values are disclosed:					
Deposit liabilities - time	P90,067,504	P-	P-	P92,534,313	P92,534,313
Bonds payable	4,955,452	-	-	4,979,938	4,979,938
Bills payable	1,188,913	-	-	1,326,554	1,326,554
	P96,211,868	P-	P-	P98,840,805	P98,840,805

	December 31, 2024 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	₱300,599	₱300,599	₱-	₱-	₱300,599
Financial assets at FVOCI					
Government debt securities	25,518,904	9,294,431	16,224,473	-	25,518,904
Private debt securities	338,923	242,082	96,841	-	338,923
Equity securities	34,364	34,364	-	-	34,364
	₱26,192,790	₱9,871,476	₱16,321,314	₱-	₱26,192,790
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	₱29,020,885	₱18,000,375	₱9,759,936	₱-	₱27,760,311
Private	1,075,436	1,069,001	-	-	1,069,001
Loans and receivables					
Receivables from customers					
Consumption loans	87,967,008	-	-	99,812,680	99,812,680
Real estate loans	43,347,882	-	-	66,616,422	66,616,422
Commercial loans	7,435,282	-	-	7,567,451	7,567,451
Personal loans	1,731,395	-	-	2,140,463	2,140,463
Sales contract receivable	3,861	-	-	4,055	4,055
Security Deposits	209,110	-	-	283,964	283,964
Non-Financial Assets					
Investment properties	3,640,817	-	-	6,547,753	6,547,753
	₱174,431,676	₱19,069,376	₱9,759,936	₱182,972,788	₱211,802,100
Liabilities for which fair values are disclosed:					
Deposit liabilities - time	₱91,272,572	₱-	₱-	₱93,931,631	₱93,931,631
Bills payable	-	-	-	-	-
	₱91,272,572	₱-	₱-	₱93,931,631	₱93,931,631

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models. Instruments included in Level 3 include those for which there is currently no active market.

As of September 30, 2025 and December 31, 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 measurement.

As of September 30, 2025 and December 31, 2024, the Bank determined the market value of its warrants to be zero due to the absence of an active market for the Bank's ROP warrants, as evidenced by the unavailability of quoted market prices.

4. Financial Risk Management Policies and Objectives

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk

Organization risk management structure continues to be a top-down organization, with the BOD at the helm of all major initiatives.

Discussed below are the relevant sections on roles and responsibilities from the Risk Oversight Committee (ROC) Charter:

Board of Directors (BOD)

The corporate powers of the Bank are vested in and are exercised by the BOD, who conducts its business and controls its property. The BOD approves broad risk management strategies and policies and ensures that risk

management initiatives and activities are consistent with the Bank's overall objectives. The BOD appoints the members of the ROC.

Risk Oversight Committee (ROC)

The ROC is composed of at least three members of the Board, the majority of whom are independent directors including its Chairperson. The ROC Chairperson is not the Chairperson of the Board or of any other committee. Members of the ROC possess a range of expertise and adequate knowledge of the Bank's risk exposures to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur.

The BOD may also appoint non-directors to the ROC as part of the Metrobank Group risk oversight measures. However, only Bank directors shall be considered as voting members of the ROC. Non-voting members are appointed in an advisory capacity.

The ROC oversees the system of limits to discretionary authority that the BOD delegates to the management and ensures that the system remains effective, the limits are observed, and that immediate corrective actions are taken whenever limits are breached.

The ROC meets on a monthly basis and is supported by the Risk Management Office (RMO). In the absence of the ROC Chairman, another Independent Director shall preside. ROC resolutions, which require the concurrence of the majority of its voting members, are presented to the BOD for confirmation.

Risk Management Office (RMO)

The RMO, headed by the Chief Risk and Sustainability Officer, is a function that is independent from executive functions and business line responsibilities, operations and revenue-generating functions. It reports directly to the BOD, through the ROC. The RMO assists the ROC in carrying out its responsibilities by:

- analyzing, communicating, implementing, and maintaining the risk management policies approved by the ROC and the BOD;
- spearheading the regular review of the Bank's risk management policy manual and making or elevating recommendations that enhance the risk management process to the ROC and the BOD, for their approval; and
- ensuring that the risks arising from the Bank's activities are identified, measured, analyzed, reported to and understood by risk takers, management, and the board. The RMO analyzes limit exceptions and recommends enhancements to the limits structure.

The RMO does not assume risk-taking accountability nor does it have approving authority. The RMO's role is to act as liaison and to provide support to the BOD, ROC, the President, management committees, risk takers and other support and control functions on risk-related matters.

The Risk Management Function is responsible for:

- identifying the key risk exposures and assessing and measuring the extent of risk exposures of the Bank and its trust operations;
- monitoring the risk exposures and determining the corresponding capital requirement in accordance with the Basel capital adequacy framework and based on the Bank's internal capital adequacy assessment on an on-going basis;
- monitoring and assessing decisions to accept particular risks whether these are consistent with BOD-approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures; and
- reporting on a regular basis to Senior Management and the BOD the results of assessment and monitoring.

President

The President is the Chief Executive Officer of the Bank and has the primary responsibility of carrying out the policies and objectives of the BOD. The President exercises the authorities delegated to him by the BOD and may recommend such policies and objectives he deems necessary for the continuing progress of the Bank.

Risk management

The risk management framework aims to maintain a balance between the nature of the Bank's businesses and the risk appetite of the BOD. Accordingly, policies and procedures are reviewed regularly and revised as the

organization grows and as financial markets evolve. New policies or proposed changes in current policies are presented to the ROC and the BOD for approval.

Credit Risk

Credit risk is the risk that a counterparty will not settle its obligations in accordance with the agreed terms.

The Bank's lending business follows credit policy guidelines set by the BOD, ROC and RMO. These policies serve as minimum standards for extending credit. The people engaged in the credit process are required to understand and adhere to these policies.

Product manuals are in place for all loans and deposit products that actually or potentially expose the Bank to all types of risks that may result in financial or reputational losses. They define the product and the risks associated with the product plus the corresponding risk-mitigating controls. They embody the business plans and define the business parameters within which the product or activity is to be performed.

The system of checks around extension of credit includes approval by at least two credit approvers through the Credit Committee (CreCom), Executive Committee (ExCom) or BOD. The ROC reviews the business strategies and ensures that revenue-generating activities are consistent with the risk tolerance and standards of the Bank. The Internal Audit Group conducts regular audit across all functional units. The BOD, through the ExCom, CreCom and ROC, ensure that sound credit policies and practices are followed through all the business segments.

Credit Approval

Credit approval is the documented acceptance of credit risk in the credit proposal or application.

The Bank's credit decision-making for consumer loans utilizes the recommendation of the credit scoring and is performed at the CreCom level appropriate to the size and risk of each transaction, in conformity with corporate policies and procedures in regulating credit risk activities. The Bank's ExCom may approve deviations or exceptions, while the BOD approves material exceptions such as large exposures, loans to directors, officers, stockholders and other related interests (DOSRI) and related party transactions, and loan restructuring.

Credit delegation limits are identified, tracked and reviewed at least annually by the Bank's Head of Credit and Collections together with the Credit Risk Manager.

Borrower Eligibility

The Bank's credit processing commences when a customer expresses his intention to borrow through a credit application. The Bank gathers data on the customer; ensures they are accurate, up-to-date and adequate to meet the minimum regulatory requirements and to render credit decision. These data are used for the intended purpose only and are managed in adherence to the customer information secrecy law.

The customer's credit worthiness, repayment ability and cash flow are established before credit is extended. The Bank independently verifies critical data from the customer, ensuring compliance with Know Your Customer requirements under the anti-money laundering laws. The Bank requires that customer income be derived from legitimate sources and supported with government-accepted statements of income, assets and liabilities.

The Bank ascertains whether the customer is legally capable of entering a credit contract and of providing a charge over any asset presented as collateral for a loan. Guarantors or sureties may be accepted, provided they are a relative, partner, and have financial interest in the transaction, and they pass all credit acceptance criteria applied to the borrower.

Loan Structure

The Bank structures loans for its customers based on the customer's capability to pay, the purpose of the loan, and for a collateralized loan, the collateral's economic life and liquidation value over time.

The Bank establishes debt burden guidelines and minimum income requirements to assess the customer's capacity to pay.

The Bank utilizes credit bureau data, both external and internal, to obtain information on a customer's current commitments and credit history.

The Bank takes into account environmental and social issues when reviewing credit proposals of small businesses and commercial mortgage customers. The Bank ensures that all qualified securities pass through the BOD for approval. Assignments of securities are confirmed and insurance are properly secured.

The Bank uses credit scoring models and decision systems for consumer loans as approved by the BOD. Borrower risk rating model and facility risk rating model, on the other hand, are available for SME loans, and supported with qualitative evaluation. Regular monitoring of all these tools and their performance is carried out to ensure that they remain effective.

Initial loan limits are recommended by the CreCom and ExCom and approved by the BOD. The Bank ensures that secured loans are within ceilings set by local regulators. Succeeding loan availments are based on account performance and customer's credit worthiness.

Credit Management

The Bank maintains credit records and documents on all borrowings and captures transaction details in its loan systems. The credit risk policies and system infrastructure ensure that loans are monitored and managed at all times.

The Bank's Management Information System provides statistics that its business units need to identify opportunities for improving rewards without necessarily sacrificing risk. Statistical data on product, productivity, portfolio, profitability, performance and projection are made available regularly.

The Bank conducts regular loan review through the ROC, with the support of the RMO. The Bank examines its exposures, credit risk ratios, provisions and customer segments. The Bank's unique customer identification and unique group identification methodology enables it to aggregate credit exposures by customer or group of borrowers. Aggregate exposures of at least ₱100.0 million are put on a special monitoring.

The ROC assesses the adequacy of provisions for credit losses regularly. The Bank's automated loan grading system enables the Bank to set up provision per account. The Bank also performs impairment analyses on loans and receivables, whether on an individual or collective basis, in accordance with PFRS 9.

The Bank carries out stress testing analyses using Board-approved statistical models relating the default trends to macroeconomic indicators.

In 2024, the Bank enhanced its credit models for both scoring and provisioning to strengthen risk management and improve decision-making. Pandemic-era overlay models for consumer loans were updated to improve stability and reliability. While select scoring models were recalibrated to enhance risk assessment. The Bank also fine-tuned its Probability of Default (PD) and Loss Given Default (LGD) models to better reflect current economic conditions and optimize capital use. Separately, integration of bureau and alternative data sources continued to advance, further strengthening borrower evaluation and lending decisions. Through active portfolio monitoring and data analytics, the Bank was able to adjust underwriting standards and tighten credit parameters when segments showed signs of elevated risk.

Following the model enhancements implemented in 2024, the first half of 2025 saw a shift towards more substantive optimization of the Bank's Expected Credit Loss (ECL) models for its primary portfolio. This included updates to the LGD model, along with recalibration of application and behavioral scoring models and the provisioning models that use them. These updates were aimed at improving accuracy and responsiveness, ensuring that credit risk measurement continues to be robust, forward-looking and data driven.

Market Risk

Market risk management covers the areas of trading and interest rate risks. The Bank utilizes various measurement and monitoring tools to ensure that risk-taking activities are managed within instituted market risk parameters. The Bank revalues its trading portfolios on a daily basis and checks the revenue or loss generated by each portfolio in relation to their level of market risk.

The Bank's risk policies and implementing guidelines are regularly reviewed by the Assets and Liabilities Committee (ALCO), ROC and BOD to ensure that these are up-to-date and in line with changes in the economy, environment and regulations. The ROC and the BOD set the comprehensive market risk limit structure and define the parameters of market activities that the Bank can engage in.

Market risk is the risk to earnings and capital arising from changes in the value of traded portfolios of financial instruments (trading market risk) and from movements in interest rates (interest rate risk). The Bank's market risk originates primarily from holding peso and dollar-denominated debt securities. The Bank utilizes Value-at-Risk (VaR) to measure and manage market risk exposure. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given confidence level over a specified holding period.

Trading activities

The Bank's trading portfolios consist of peso- and dollar-denominated debt securities that are marked-to-market daily. We use BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

VaR is a statistical measure that calculates the maximum potential loss from a portfolio over a holding period, within a given confidence level. The Bank's current VaR model is based on a historical simulation methodology with a one-day holding period and a 99% confidence level. The Bank establishes limits for trading portfolios and VaR, and comply with regulatory standards. VaR reports are prepared to closely monitor potential losses against approved VaR limit. In addition, actual daily profit and loss levels are monitored against loss triggers. If there is a breach in the VaR limit or loss triggers, Treasury Group is expected to close or reduce their position and bring it down within the limit. Breaches in the limit requires approval of ALCO, President, or ROC/Board, as appropriate.

The Bank performs back testing to validate the VaR model. Results are reported to the ROC and BOD on a monthly basis. Stress testing is also conducted based on historical maximum percentage daily movement and on various ad-hoc rate shock scenarios to estimate potential losses in a crisis situation.

Responsibility for managing the Bank's trading market risk remains with the ROC. With the support of RMO, the ROC recommends to the BOD changes in market risk limits, approving authorities and other activities that need special consideration.

Discussed below are the limitations and assumptions applied by the Bank on its VaR methodology:

- a. VaR is a statistical estimate and thus, does not give the precise amount of loss;
- b. VaR is not designed to give the probability of bank failure, but only attempts to quantify losses that may arise from a bank's exposure to market risk;
- c. Historical simulation does not involve any distributional assumptions, scenarios that are used in computing VaR are limited to those that occurred in the historical sample; and
- d. VaR systems are backward-looking. It attempts to forecast likely future losses using past data. As such, this assumes that past relationships will continue to hold in the future. Major shifts therefore (i.e., an unexpected collapse of the market) are not captured and may inflict losses much bigger than anything the VaR model may have calculated.

The Bank's interest rate VaR follows (in millions):

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Peso	USD	Peso	USD
Year-end	1	-	1	-
Average	1	-	2	-
High	2	-	7	-
Low	-	-	-	-

Non-trading activities

The Bank follows a prudent policy on managing its assets and liabilities to ensure that fluctuations in interest rates are kept within acceptable limits.

One method by which the Bank measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of "gap" analysis. This analysis provides the Bank with a static view of the maturity and repricing characteristics of the positions in its statement of condition. An interest rate gap report is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated repricing dates, whichever is earlier. Items lacking definitive repricing schedule (e.g., current and savings accounts) are assigned to repricing tenor buckets based on analysis of deposit behavioral patterns, past experience and/or expert judgment. The difference in the amount of assets and liabilities maturing or being repriced in any time period category would then give the Bank an indication of the extent to which it is exposed to the risk of potential changes in net interest income.

The interest rate sensitivity gap report measures interest rate risk by identifying gaps between the repricing dates of assets and liabilities. The Bank's sensitivity gap model calculates the effect of possible rate movements on its interest rate profile.

EaR measures the possible decline in the Bank's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months. The Bank's EaR limits are based on a percentage of the Bank's projected earnings for the year or capital whichever is lower. The Bank also performs stress-testing to measure the impact of various scenarios based on interest rate volatility and shift in the yield curve. The EaR and stress testing reports are prepared on a monthly basis.

The ALCO is responsible for managing the Bank's structural interest rate exposure. The ALCO's goal is to achieve a desired overall interest rate profile while remaining flexible to interest rate movements and changes in economic conditions. The RMO and ROC review and oversee the Bank's interest rate risks.

The table below demonstrates the sensitivity of equity. Equity sensitivity was computed by calculating mark-to-market changes of debt securities at FVOCI, assuming a parallel shift in the yield curve.

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Change in basis points	Sensitivity of equity	Change in basis points	Sensitivity of equity
Currency				
PHP	+10	(P102,408,899)	+10	(P63,063,125)
USD	+10	(113,550)	+10	(112,495)
Currency				
PHP	-10	103,100,570	-10	63,359,147
USD	-10	114,581	-10	113,580

The table below demonstrates the sensitivity of net interest income using the EAR model. Net interest income sensitivity was computed by calculating the changes in the banking book gaps assuming a parallel shift in the yield curve.

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Change in basis points	Sensitivity of NII	Change in basis points	Sensitivity of NII
Currency				
PHP	+10	(P34,325,040)	+10	(P31,359,106)
USD	+10	(8,574,106)	+10	(8,945,289)
Currency				
PHP	-10	34,325,040	-10	31,359,106
USD	-10	8,574,106	-10	8,945,289

The Bank employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios. ΔEVE is calculated by slotting the notional repricing cash flows arising from rate-sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios prescribed by Basel, as well as scenarios internally developed by the Bank.

Foreign Currency Risk

Foreign currency risk is the risk of an investment's value changing due to an adverse movement in currency exchange rates. It arises due to a mismatch in the Bank's foreign currency assets and liabilities. The Bank uses BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

The Bank's policy is to maintain foreign currency exposure within the approved position, stop loss, loss trigger, VaR limits and to remain within existing regulatory guidelines. To compute for VaR, the Bank uses historical simulation model for USD/PHP FX position, with confidence level at 99.00% and a 1 day holding period. The Bank's VaR for its foreign exchange position for trading and non-trading activities are as follows (in thousands):

	September 30, 2025 ¹ (Unaudited)	December 31, 2024 ¹ (Audited)
As of year-end	P1,307	P59
Average	993	785
High	1,598	1,676
Low	397	59

¹Using METRISK Historical Simulation VaR

As of September 30, 2025 and December 31, 2024, the Bank is not exposed to significant foreign currency risk.

Liquidity Risk

The Bank's policy on liquidity management emphasizes on three elements of liquidity, namely, cashflow management, ability to borrow in the interbank market, and maintenance of a stock of high-quality liquid assets. These three approaches complement one another with greater weight being given to a particular approach, depending upon the circumstances. The Bank's objective in liquidity management is to ensure that the Bank has sufficient liquidity to meet obligations under normal and adverse circumstances and is able to take advantage of lending and investment opportunities as they arise.

The main tool that the Bank uses for monitoring its liquidity is the Maximum Cumulative Outflow (MCO) reports, which is also called liquidity gap or maturity matching gap reports. The MCO is a useful tool in measuring and analyzing the Bank's cash flow projections and monitoring liquidity risks.

The MCO is generated by distributing the cash flows of the Bank's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns and projections on business strategies. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Bank is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Bank is said to have a negative liquidity gap or has funding needs for the given time bucket.

The Bank's Liquidity Contingency Funding Plan (LCFP) projects the Bank's funding position during stress to help evaluate the Bank's funding needs and strategies under various stress conditions.

The Bank discourages dependence on Large Funds Providers (LFPs) and monitors the deposit funding concentrations so that it will not be vulnerable to a substantial drop in deposit level should there be an outflow of large deposits and there are enough high-quality liquid assets to fund LFP withdrawals. ALCO is responsible for managing the liquidity of the Bank while RMO and ROC review and oversee the Bank's overall liquidity risk management.

To mitigate potential liquidity problems caused by unexpected withdrawals of significant deposits, the Bank takes steps to cultivate good business relationships with clients and financial institutions, maintains high level of high-quality liquid assets, monitors the deposit funding concentrations and regularly updates the Liquidity Contingency Funding Plan. The Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are managed on a daily basis to ensure compliance with the required regulatory ratios.

Financial assets

Analysis of equity and debt securities at FVTPL and financial assets at FVOCI into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date and does not consider the behavioral pattern of the creditors. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Bank can be required to pay.

5. Segment Information

The Bank's operating segments are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit that offers different products and serves different markets. The Bank's reportable segments are as follows:

- Consumer Banking - principally provides consumer-type loans generated by the Home Office;
- Corporate Banking - principally handles loans and other credit facilities for small and medium enterprises, corporate and institutional customers acquired in the Home Office;
- Branch Banking - serves as the Bank's main customer touch point which offers consumer and corporate banking products; and
- Treasury - principally handles institutional deposit accounts, providing money market, trading and treasury services, as well as managing the Bank's funding operations by use of government securities and placements and acceptances with other banks.

These segments are the bases on which the Bank reports its primary segment information. The Bank evaluates performance on the basis of information about the components of the Bank that senior management uses to make decisions about operating matters. There are no other operating segments than those identified by the Bank as reportable segments. There were no inter-segment revenues and expenses included in the financial information. The Bank has no single customer with revenues from which is 10.00% or more of the Bank's total revenue.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Primary segment information (by business segment) for the quarters ended September 30, 2025 and 2024 and December 31, 2024, as follows (in thousands):

	For the Nine Months Ended September 30, 2025 (Unaudited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	P4,505,358	P199,824	P6,158,337	P2,147,298	P13,010,817
Service fees and commission	530,038	13,830	790,559	-	1,334,427
Other operating income	103,002	8,263	441,648	112,464	665,377
Total operating income	5,138,398	221,917	7,390,544	2,259,762	15,010,621
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	1,450,052	8,148	88,552	(5,269)	1,541,483
Depreciation	282,849	2,463	503,327	587	789,226
Amortization of other intangible assets	72,698	931	25,765	3,212	102,606
Total non-cash expenses	1,805,599	11,542	617,644	(1,470)	2,433,315
Interest expense	-	-	1,834,902	1,330,883	3,165,785
Service fees and commission expense	20,226	528	30,167	-	50,921
Subtotal	20,226	528	1,865,069	1,330,883	3,216,706
Compensation and fringe benefits	861,746	53,349	2,143,006	22,281	3,080,382
Taxes and licenses	379,068	7,414	392,679	332,622	1,111,783
Occupancy and equipment-related costs	86,144	280	157,692	(16)	244,100
Security, messengerial and janitorial services	168,070	1,767	245,837	212	415,886
Miscellaneous	457,202	7,339	748,703	61,479	1,274,723
Subtotal	1,952,230	70,149	3,687,917	416,578	6,126,874
Income (loss) before share in net income of a joint venture and income tax	1,360,343	139,698	1,219,914	513,771	3,233,726
Share in net income of a joint venture					44,147
Income before income tax					3,277,873
Provision for income tax					432,059
Net income					2,845,814
Segment assets	P120,851,978	P3,469,891	P50,778,927	P44,992,181	220,092,977
Investment in a joint venture					898,204
Deferred tax assets					1,317,580
Total assets					P222,308,761
Segment liabilities	P1,736,985	P135,762	P114,430,156	P59,851,589	P176,154,492

	December 31, 2024 (Audited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱4,498,367	₱228,609	₱8,126,983	₱4,019,166	₱16,873,125
Service fees and commission	686,995	17,365	1,201,076	-	1,905,436
Other operating income	459,255	8,126	715,405	22,572	1,205,358
Total operating income	5,644,617	254,100	10,043,464	4,041,738	19,983,919
Non-cash expenses					
Provision for credit and impairment losses	73,939	22,986	119,968	(2,454)	214,439
Depreciation	291,761	3,276	656,306	437	951,780
Amortization of intangible assets	50,255	857	55,922	4,324	111,358
Total non-cash expenses	415,955	27,119	832,196	2,307	1,277,577
Interest expense	-	-	2,494,013	2,081,572	4,575,585
Service fees and commission expense	32,398	819	56,640	-	89,857
Subtotal	32,398	819	2,550,653	2,081,572	4,665,442
Compensation and fringe benefits	1,098,412	67,928	2,890,106	32,222	4,088,668
Taxes and licenses	454,804	9,773	550,830	505,570	1,520,977
Occupancy and equipment-related costs	103,817	556	250,795	90	355,258
Security, messengerial and janitorial services	202,418	2,701	358,746	260	564,125
Miscellaneous	504,893	10,278	1,039,274	87,820	1,642,265
Subtotal	2,364,344	91,236	5,089,751	625,962	8,171,293
Income before share in net income of a joint venture and income tax	2,831,920	134,926	1,570,864	1,331,897	₱5,869,607
Share in net income of a joint venture					68,023
Income before income tax					5,937,630
Provision for income tax					729,188
Net income					5,208,442
Segment assets	₱111,122,145	₱3,085,367	₱50,235,843	₱49,702,873	214,146,228
Investment in a joint venture					892,037
Deferred tax assets					1,318,508
Total assets					₱216,356,773
Segment liabilities	₱1,875,800	₱146,764	₱116,459,188	₱53,769,093	₱172,250,845

	For the Nine Months Ended September 30, 2024 (Unaudited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱3,133,737	₱273,758	₱6,011,939	₱3,209,980	₱12,629,414
Service fees and commission	510,278	13,810	921,949	-	1,446,037
Other operating income	451,152	6,238	531,694	28,293	1,017,377
Total operating income	4,095,167	293,806	7,465,582	3,238,273	15,092,828
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	₱34,366	₱50,153	₱277,748	(₱4,181)	₱358,086
Depreciation	207,434	2,445	491,676	351	701,906
Amortization of other intangible assets	26,950	658	44,264	3,248	75,120
Total non-cash expenses	268,750	53,256	813,688	(582)	1,135,112
Interest expense	-	-	1,861,773	1,628,397	3,490,170
Service fees and commission expense	22,568	611	40,774	-	63,953
Subtotal	22,568	611	1,902,547	1,628,397	3,554,123
Compensation and fringe benefits	815,186	50,613	2,170,807	23,929	3,060,535
Taxes and licenses	338,533	14,959	418,591	391,387	1,163,470
Occupancy and equipment-related costs	76,952	397	187,504	82	264,935
Security, messengerial and janitorial services	140,408	1,857	266,244	204	408,713
Miscellaneous	376,816	7,776	782,151	67,900	1,234,643
Subtotal	1,747,895	75,602	3,825,297	483,502	6,132,296
Income (loss) before share in net income of a joint venture and income tax	2,055,955	164,336	924,050	1,126,956	₱4,271,297
Share in net income of a joint venture					59,399
Income before income tax					4,330,696
Provision for income tax					327,963
Net income					4,002,733
Segment assets	₱106,438,424	₱3,157,234	₱54,943,202	₱51,584,737	216,123,597
Investment in a joint venture					883,413
Deferred tax assets					1,570,164
Total assets					₱218,577,174
Segment liabilities	₱1,432,090	₱93,386	₱119,791,996	₱53,801,467	₱175,118,939

6. Investment Securities

Fair Value Through Profit or Loss (FVTPL) Investments

FVTPL investments consist of the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government debt securities	₱254,568,004	₱300,599,156

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets at FVOCI consist of the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Debt securities		
Government	₱22,233,496,749	₱25,518,903,960
Private	342,231,520	338,922,873
Equity securities		
Quoted	37,855,038	34,364,018
	₱22,613,583,307	₱25,892,190,851

As of September 30, 2025 and December 31, 2024, the ECL on debt securities at FVOCI (included in 'Fair value reserves on financial assets at FVOCI') amounted to ₱0.8 million and ₱0.7 million, respectively.

Movements in the fair value reserves on financial assets at FVOCI are as follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of year	₱16,969,885	₱70,794,457
Loss (gain) from sale of financial assets at FVOCI realized in profit or loss	(100,487,646)	(24,247,623)
Changes in allowance for ECL	107,428	(74,924)
Fair value gain (loss) recognized in OCI	261,759,093	(29,502,025)
Balance at end of year	₱178,348,760	₱16,969,885

Investment Securities at Amortized Cost

Investment securities at amortized cost consist of the following:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Debt securities		
Government	₱27,053,178,761	₱29,031,233,731
Private	151,000,000	1,076,325,394
	27,204,178,761	30,107,559,125
Less allowance for credit losses	6,773,793	11,237,913
	₱27,197,404,968	₱30,096,321,212

Interest income on investment securities consists of:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Interest income recognized using EIR		
Investment securities at amortized cost	₱1,023,760,144	₱984,974,093
Financial assets at FVOCI	902,767,907	1,566,636,923
	1,926,528,051	2,551,611,016
Interest income recognized using nominal interest rates		
FVTPL investments	8,963,419	39,657,688
	₱1,935,491,470	₱2,591,268,704

Trading and securities gains (losses) - net on investment securities consist of:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Financial assets at FVOCI	₱100,487,646	₱24,304,596
FVTPL investments	61,016	(5,262,482)
	₱100,548,662	₱19,042,114

7. Loans and Receivables

This account consists of:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Receivables from customers		
Consumption loans	₱98,021,329,904	₱90,460,340,931
Real estate loans	46,262,009,726	43,844,550,817
Commercial loans	8,303,990,959	7,669,171,911
Personal loans	1,944,942,425	1,994,825,782
	154,532,273,014	143,968,889,441
Less unearned discounts and capitalized interest	63,097,530	74,916,465
	154,469,175,484	143,893,972,976
Other receivables		
Accrued interest receivable	2,062,083,733	2,367,681,595
Accounts receivable	741,510,953	1,536,451,201
Sales contract receivables	3,813,871	4,224,875
	157,276,584,041	147,802,330,647
Less allowance for credit losses	4,043,099,547	3,978,878,079
	₱153,233,484,494	₱143,823,452,568

Personal loans comprise deposit collateral loans, employee salary and consumer loan products such as money card, multi-purpose loan and flexi-loan.

As of September 30, 2025 and December 31, 2024, 33.48% and 33.73%, respectively, of the total receivables from customers are subject to periodic interest repricing with average EIR of 8.38% and 8.45%. Remaining receivables earn average annual fixed interest rates of 17.19% and 16.96%.

Interest income on loans and receivables consists of:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Receivables from customers		
Consumption loans	₱7,205,016,438	₱6,001,716,996
Real estate loans	2,854,528,687	2,666,169,138
Commercial loans	433,299,612	366,035,891
Personal loans	370,277,104	385,435,235
Other receivables		
Sales contract receivables	397,332	77,024
	₱10,863,519,173	₱9,419,434,284

8. Property and Equipment

The composition of and movements in this account follow:

	September 30, 2025 (Unaudited)					Total
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	
Cost						
Balance at beginning of the period	₱976,443,676	₱1,170,665,641	₱3,629,982,990	₱1,154,075,306	₱1,974,787,786	₱8,905,955,399
Acquisitions/Additions	-	23,484,800	143,133,769	6,124,451	265,357,392	438,100,412
Disposals/Retirement	-	-	(109,468,219)	-	(246,108,607)	(355,576,826)
Balance at end of the period	976,443,676	1,194,150,441	3,663,648,540	1,160,199,757	1,994,036,571	8,988,478,985

September 30, 2025 (Unaudited)						
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
Accumulated Depreciation						
Balance at beginning of the period	–	670,430,083	2,984,801,478	1,096,905,753	960,695,297	5,712,832,611
Depreciation	–	27,533,102	167,224,129	18,560,136	326,174,714	539,492,081
Disposals/Retirement	–	–	(97,900,495)	–	(235,736,006)	(333,636,501)
Others	–	292,768	14,806,427	–	–	15,099,195
Balance at end of the period	–	698,255,953	3,068,931,539	1,115,465,889	1,051,134,005	5,933,787,386
Net Book Value	₱976,443,676	₱495,894,488	₱594,717,001	₱ 44,733,868	₱942,902,566	₱3,054,691,599

December 31, 2024 (Audited)						
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
Cost						
Balance at beginning of the period	₱976,443,676	₱1,164,846,258	₱3,415,338,919	₱1,131,384,796	₱1,963,591,638	₱8,651,605,287
Acquisitions/Additions	–	5,819,383	290,698,956	22,690,510	451,270,041	770,478,890
Disposals/Retirement	–	–	(76,054,885)	–	(440,073,893)	(516,128,778)
Balance at end of the period	976,443,676	1,170,665,641	3,629,982,990	1,154,075,306	1,974,787,786	8,905,955,399
Accumulated Depreciation						
Balance at beginning of the period	–	634,324,894	2,835,102,506	1,070,267,248	969,953,262	5,509,647,910
Depreciation	–	35,717,687	192,372,030	26,638,505	430,815,928	685,544,150
Disposals/Retirement	–	–	(42,673,058)	–	(440,073,893)	(482,746,951)
Others	–	387,502	–	–	–	387,502
Balance at end of the period	–	670,430,083	2,984,801,478	1,096,905,753	960,695,297	5,712,832,611
Net Book Value	₱976,443,676	₱500,235,558	₱645,181,512	₱57,169,553	₱1,014,092,489	₱3,193,122,788

Gain on sale of property and equipment amounted to ₱3.0 million and ₱3.2 million for the nine-month period ended September 30, 2025 and 2024, respectively.

The details of depreciation under the statements of income follow:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Property and equipment	₱539,492,081	₱508,711,660
Chattel mortgage properties	187,154,605	125,578,285
Investment properties	62,578,266	67,615,356
	₱789,224,952	₱701,905,301

9. Investment Properties

The composition of and movements in this account follow:

September 30, 2025 (Unaudited)			
	Land	Building Improvements	Total
Cost			
Balance at beginning of year	₱1,329,617,968	₱3,001,618,060	₱4,331,236,028
Additions	87,993,306	325,195,346	413,188,652
Disposals	(159,752,699)	(382,295,101)	(542,047,800)
Balance at end of year	1,257,858,575	2,944,518,305	4,202,376,880
Accumulated Depreciation			
Balance at beginning of year	–	506,028,887	506,028,887
Depreciation	–	62,578,266	62,578,266
Disposals	–	(54,386,791)	(54,386,791)
Balance at end of year	–	514,220,362	514,220,362
Allowance for Impairment Losses			
Balance at beginning of year	59,761,915	124,628,324	184,390,239
Provisions for the year	(1,960,069)	10,790,122	8,830,053
Disposals	(5,523,298)	(17,041,536)	(22,564,834)
Balance at end of year	52,278,548	118,376,910	170,655,458
Net Book Value	₱1,205,580,027	₱2,311,921,033	₱3,517,501,060

December 31, 2024 (Audited)			
	Land	Building Improvements	Total
Cost			
Balance at beginning of year	P1,404,474,771	P3,221,547,911	P4,626,022,682
Additions	112,105,951	360,751,014	472,856,965
Disposals	(186,962,754)	(580,680,865)	(767,643,619)
Balance at end of year	1,329,617,968	3,001,618,060	4,331,236,028
Accumulated Depreciation			
Balance at beginning of year	–	486,395,513	486,395,513
Depreciation	–	88,949,946	88,949,946
Disposals	–	(69,316,572)	(69,316,572)
Balance at end of year	–	506,028,887	506,028,887
Allowance for Impairment Losses			
Balance at beginning of year	56,127,134	148,549,851	204,676,985
Provisions for the year	4,325,980	12,233,573	16,559,553
Disposals	(691,199)	(36,155,100)	(36,846,299)
Balance at end of year	59,761,915	124,628,324	184,390,239
Net Book Value	P1,269,856,053	P2,370,960,849	P3,640,816,902

The details of the net book value of investment properties follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Real estate properties acquired in settlement of loans and receivables	P3,449,207,170	P3,569,659,560
Bank premises leased to third parties and held for capital appreciation	68,293,890	71,157,342
	P3,517,501,060	P3,640,816,902

Gain on foreclosure of investment properties amounted to P151.5 million and P192.7 million in September 30, 2025 and 2024, respectively. The Bank realized gain on sale of investment properties amounting to P135.0 million and P127.1 million in September 30, 2025 and 2024, respectively.

10. Other Assets

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets		
Security deposits	P215,784,981	P209,109,716
Liquidity requirement for electronic money products	130,339,333	156,123,260
RCOCI	43,522,068	16,695,847
Others*	448,488	447,040
	390,094,870	382,375,863
Non-financial assets		
Chattel mortgage properties - net	1,327,754,096	855,404,298
Prepayments	427,756,164	165,991,028
Net retirement assets	194,451,558	63,522,505
Stationeries and supplies on hand	42,852,362	38,662,995
Documentary stamps on hand	30,217,140	28,949,779
Creditable withholding tax	11,165,883	24,116,778
Others**	55,325	13,934
	2,034,252,528	1,176,661,317
	P2,424,347,398	P1,559,037,180

* Others under financial assets comprise petty cash fund, shortages, and other investments

** Others under non-financial assets comprise inter-office float items, sundry debits, deferred charges, postages stamps

Prepayments represent prepaid insurance, rent, taxes and other prepaid expenses.

Creditable withholding tax (CWT) pertains to the excess credits after applying CWT against income tax payable

The movements in chattel mortgage properties - net follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cost		
Balance at beginning of year	P929,114,203	P736,797,092
Additions	3,897,322,287	3,922,282,431
Disposals	(3,404,770,194)	(3,729,965,320)
Balance at the end of year	1,421,666,296	929,114,203
Accumulated Depreciation		
Balance at beginning of year	73,609,508	68,762,517
Depreciation	187,154,605	177,285,886
Disposals	(168,321,315)	(172,438,895)
Balance at the end of year	92,442,798	73,609,508
Allowance for Impairment Losses		
Balance at beginning of year	100,396	142,544
Provision	4,442,606	606,596
Disposals	(3,073,600)	(648,743)
Balance at end of year	1,469,402	100,397
Net Book Value	P1,327,754,096	P855,404,298

Gain on foreclosure of chattel mortgage properties amounted to P145.3 million and P449.9 million in September 30, 2025 and 2024, respectively.

The Bank realized gain/(loss) on sale of chattel mortgage properties amounting to (P409.3) million and (P167.4) million in September 30, 2025 and 2024, respectively.

11. Bills Payable and Bonds Payable

Bills Payable

As of September 30, 2025 and December 31, 2024, Bills payable amounted to P1.19 billion and nil, respectively.

Peso-denominated interbank borrowings of the Bank bear annual interest ranging from 5.09% to 5.94% in 2025 and from 6.09% to 6.50% in 2024. Foreign currency-denominated interbank borrowings bear annual interest ranging from 4.20% to 4.62% in 2025 and from 5.50% to 5.69% in 2024. Annual interest rate on dollar-denominated dollar denominated securities under resale agreement (SSURA) ranges from 4.40% to 4.63% in 2025 and from 5.09% to 5.91% in 2024.

Interest expense on bills payable amounted to P25.40 million and P14.30 million in September 30, 2025 and September 30, 2024, respectively.

Bonds Payable

On August 18, 2025, PSBank issued fixed rate bonds amounting P5.0 billion with a tenor of two (2) years and due on August 18, 2027 with interest rate of 5.875% per annum payable quarterly. As of September 30, 2025 the carrying amount of the bonds payable is P4.96 billion. Debt issuance cost related to the issuance amounted to P47.0 million.

As of September 30, 2025 Interest expense incurred on bonds payable amounted to P37.6 million while amortization of debt issuance cost amounted to P2.5 million.

12. Accrued Taxes, Interest and Other Expenses

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Accrued other taxes and licenses payable	P336,283,671	P320,636,725
Accrued interest payable	232,890,577	321,208,714
Accrued other expenses payable	1,532,293,913	1,604,600,834
	P2,101,468,161	P2,246,446,273

Accrued other expenses payable consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Compensation and fringe benefits	P963,143,019	P741,950,774
Litigation	268,839,017	357,433,281
Information technology	105,652,335	130,879,980
Insurance	84,099,048	166,683,439
ATM maintenance	34,571,749	20,400,132
Security, messengerial and janitorial	25,188,883	36,204,686
Donations	21,319,623	14,517,956
Rental - ATM Offsites	3,989,751	37,989,751
Membership, fees and dues	3,691,511	3,773,951
Advertising	52,892	10,510,397
Repairs and maintenance	-	41,582,060
Miscellaneous	21,746,085	42,674,427
	P1,532,293,913	P1,604,600,834

Compensation and fringe benefits include salaries and wages, as well as medical, dental and hospitalization benefits.

Miscellaneous include accruals for utilities and maintenance and other expenses.

13. Other Liabilities

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial liabilities		
Accounts payable	P1,454,399,875	P2,071,731,704
Lease liabilities	1,106,261,994	1,190,529,789
Other credits	230,498,939	221,609,042
Overages	5,450,330	4,895,091
Deposit for keys – SDB	724,395	734,395
	2,797,335,533	3,489,500,021
Non-financial liabilities		
Sundry credits	166,752,939	91,964,895
Withholding taxes payable	109,507,046	89,391,301
Due to the Treasurer of the Philippines	98,942,148	40,721,456
Provision on undrawn portion of committed credit lines	31,596,506	38,893,036
SSS, Medicare, ECP and HDMF premium payable	24,463,354	22,387,898
Miscellaneous	66,570,361	63,072,130
	497,832,354	346,430,716
Total	P3,295,167,887	P3,835,930,737

Accounts payable includes payable to suppliers and service providers, and loan payments and other charges received from customers in advance. Other credits represent long-outstanding unclaimed cashier's checks.

Sundry credits represent various items or transactions which cannot be classified immediately under any credit account and subsequently classified to proper credit accounts the following month.

14. Maturity Analysis of Assets and Liabilities

The following table shows an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of condition dates (in thousands):

	September 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	P1,720,338	P-	P1,720,338	P1,781,441	P-	P1,781,441
Due from BSP - gross	557,687	-	557,687	1,183,357	-	1,183,357
Due from other banks - gross	1,561,926	-	1,561,926	1,816,578	-	1,816,578
Interbank call loans receivable and SPURA - gross	3,519,205	-	3,519,205	400,000	-	400,000

	September 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Within	Beyond	Total	Within	Beyond	Total
	One Year	One Year		One Year	One Year	
FVTPL investments	254,568	-	254,568	300,599	-	300,599
Financial assets at FVOCI	1,404,679	21,208,905	22,613,584	8,732,721	17,159,470	25,892,191
Investment securities at amortized cost – gross	1,648,509	25,555,670	27,204,179	3,383,179	26,724,380	30,107,559
Loans and receivables - gross	9,799,591	147,540,090	157,339,681	12,844,071	135,033,176	147,877,247
Other assets*	210,949	178,698	389,647	192,173	190,203	382,376
	20,677,452	194,483,363	215,160,815	30,634,119	179,107,229	209,741,348
Nonfinancial Assets						
Investment in a joint venture	P-	P898,204	P898,204	P-	P892,037	P892,037
Property and equipment - gross	-	8,988,131	8,988,131	-	8,905,955	8,905,955
Investment properties - gross	-	4,202,377	4,202,377	-	4,331,236	4,331,236
Deferred tax assets	-	1,317,580	1,317,580	-	1,318,508	1,318,508
Intangible assets and goodwill – gross	-	2,167,591	2,167,591	-	572,147	572,147
Other assets - gross**	512,495	1,616,117	2,128,612	257,734	992,637	1,250,371
	512,495	19,190,000	19,702,495	257,734	17,012,520	17,270,254
Less: Allowance for credit and impairment losses			4,222,635			4,176,085
Accumulated depreciation and amortization			8,268,816			6,403,829
Unearned discounts and capitalized interest			63,098			74,916
			12,554,549			10,654,830
			P222,308,761			P216,356,772

* Other assets under financial assets comprise security deposits, liquidity requirement for electronic money products, RCOI, petty cash fund, shortages and other investments

**Other assets under nonfinancial assets comprise chattel mortgage properties, net retirement assets, prepayments, documentary stamps on hand, stationeries and supplies on hand, creditable withholding tax, inter-office float items, sundry debits, deferred charges, postages stamps.

	September 30, 2025 (Unaudited)			December 31, 2024 (Audited)		
	Within	Beyond	Total	Within	Beyond	Total
	One Year	One Year		One Year	One Year	
Financial Liabilities						
Deposit liabilities	P161,001,403	P2,650,148	P163,651,551	P146,990,994	P17,562,035	P164,553,029
Bills payable	1,188,913	-	1,188,913	-	-	-
Bonds payable	4,955,452	-	4,955,452	-	-	-
Treasurer's, cashier's and manager's checks	961,941	-	961,941	1,615,438	-	1,615,438
Accrued other expenses payable	1,532,294	-	1,532,294	1,604,601	-	1,604,601
Accrued interest payable	232,891	-	232,891	321,209	-	321,209
Other liabilities*	2,197,864	698,413	2,896,277	2,707,917	781,583	3,489,500
	172,070,758	3,348,561	175,419,319	153,240,159	18,343,618	171,583,777
Nonfinancial Liabilities						
Accrued other taxes and licenses payable	336,284	-	336,284	320,637	-	320,637
Other liabilities**	398,889	-	398,889	213,744	132,687	346,431
	735,173	-	735,173	534,381	132,687	667,068
	P172,805,931	P3,348,561	P176,154,492	P153,774,540	P18,476,305	P172,250,845

* Other liabilities under financial liabilities comprise accounts payable, lease liabilities, bills purchased contra, other credits, overages, and deposit for safety deposit box.

** Other liabilities under nonfinancial liabilities comprise provision on undrawn portion of committed credit lines, withholding taxes payable, sundry credits, due to the treasurer of the Philippines, SSS, Medicare, ECP & HDMF premium payable, income tax payable and miscellaneous liabilities.

15. Equity

Issued Capital

The movement in the Bank's capital stock consists of:

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Shares	Amount	Shares	Amount
Authorized common stock - P10 par value	600,000,000	P6,000,000,000	600,000,000	P6,000,000,000
Common Stock - Issued and outstanding	426,859,416	P4,268,594,160	426,859,416	P4,268,594,160

The Bank became listed in the Philippine Stock Exchange (PSE) on October 10, 1994. Subsequently, the SEC approved the increase in the capital stock of the Bank. The summarized information on the Bank's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Type	Authorized Shares	Par Value
August 16, 1995	Common	300,000,000	P10
October 8, 1997	Common	425,000,000	P10
November 20, 2019	Common	600,000,000	P10

As of September 30, 2025 and December 31, 2024, the total number of stockholders is 1,424 and 1,432 with share price closed at P57.0 and P58.20, respectively.

Dividends Paid and Proposed

Details of the Bank's dividend distributions as approved by the Bank's BOD and the BSP follow:

Cash Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
January 26, 2023	0.75	320,144,562	February 10, 2023	February 27, 2023
April 27, 2023	0.75	320,144,562	May 15, 2023	May 29, 2023
July 20, 2023	0.75	320,144,562	August 4, 2023	August 22, 2023
October 19, 2023	0.75	320,144,562	November 8, 2023	November 20, 2023
January 18, 2024	0.75	320,144,562	February 2, 2024	February 19, 2024
April 25, 2024	0.75	320,144,562	May 13, 2024	May 27, 2024
July 25, 2024	0.75	320,144,562	August 9, 2024	August 27, 2024
October 17, 2024	0.75	320,144,562	November 4, 2024	November 18, 2024
January 16, 2025	0.75	320,144,562	February 3, 2025	February 17, 2025
April 24, 2025	0.75	320,144,562	May 13, 2025	May 26, 2025
July 24, 2025	0.75	320,144,562	August 8, 2025	August 26, 2025

Stock Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
March 12, 2019	11.42%	P-	January 31, 2020	February 21, 2020

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

The following table presents information used to calculate basic EPS:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
a. Net income	₱2,845,814,481	₱4,002,733,214
b. Weighted average number of common shares for basic EPS	426,859,416	426,859,416
c. Basic/Diluted EPS (a/b)	₱6.67	₱9.38

As of September 30, 2025 and 2024, there were no potential common shares with dilutive effect on the basic EPS of the Bank.

Effect of Existing or Probable Government Regulations

Regulatory Qualifying Capital

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

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis and consolidated basis. Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements which states the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular took effect on January 1, 2014.

On March 29, 2022, the BSP issued Circular No. 1142, Amendments to the Guidelines on the Computation of Minimum Required Capital and Risk-Based Capital Adequacy Ratio, which provides amended guidelines on the computation of the minimum required capital and the risk-based capital adequacy ratio.

The Bank considered BSP regulations, which set out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%, and require capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and these ratios shall be maintained at all times.

Regulatory qualifying capital consists of Tier 1 (going concern) capital, which comprises capital stock, surplus, surplus reserves, net unrealized gains on FVOCI securities, cumulative foreign currency translation and remeasurements of net defined benefit asset. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (gone-concern) capital, which is comprised of the Bank's general loan loss provision. Certain items are deducted from the regulatory Gross Qualifying Capital, such as but not limited to, outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations, and guarantees granted to subsidiaries and affiliates (net of specific provisions), deferred tax assets, goodwill, other intangible assets and significant minority investments in a joint venture.

Risk-weighted assets are determined by assigning defined risk weights to amounts of on-balance sheet exposures and to the credit equivalent amounts of off-balance sheet exposures.

On October 29, 2014, the BSP issued Circular No. 856 which covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019. On September 27, 2019, the BSP issued Circular No. 1051 which covers the enhancements in the assessment methodology of D-SIBs. The Bank has complied with this requirement.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under BSP Circular No. 538. In compliance with this new circular, the Metrobank Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget, as well as regulatory directives. The Bank follows the Group's ICAAP framework and submits the result of its assessment to the Parent Company. Per BSP Circular No. 869, effective January 31, 2015, submission of an ICAAP document is required by BSP every March 31 of each year. The Bank has complied with this requirement.

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. As of September 30, 2025 and December 31, 2024, the CAR as reported to the BSP, were at 24.64% and 23.56%, respectively.

BASEL III Leverage Ratio (BLR)

On June 9, 2015, the BSP issued Circular No. 881 covering the implementing guidelines on the Basel III Leverage Ratio Framework which is designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.0 percent. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 under BSP Circular No. 990 issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The Basel III Leverage Ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as percentage. Capital measure is the Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items. The leverage ratio shall not be less than 5.0 percent computed on both solo (head office plus branches) and consolidated bases (including subsidiary financial allied undertakings but excluding insurance companies).

As of September 30, 2025 and December 31, 2024, the Bank maintains these ratios above minimum requirements as shown in the table below (in millions):

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
A. Capital Measure	P40,575	P38,475
B. Exposure Measure	218,543	212,648
C. Basel III Leverage Ratio (A/B)	18.57%	18.09%

Summary Comparison of Accounting Assets and Common Disclosure vs. Leverage Ratio Exposures as of September 30, 2025 and December 31, 2024 are shown in the table below (in millions):

Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure	September 30, 2025	December 31, 2024	Common Disclosure vs. Leverage Ratio Exposure	September 30, 2025	December 31, 2024
Total consolidated assets	P220,919	P214,892	On-balance sheet exposures	P217,328	P212,623
Adjustments for derivative financial instruments	-	-	Derivative exposures	-	-
Adjustments for securities financial transactions	-	-	Securities financing transaction exposures	1,200	-
Adjustments for off-balance sheet items	16	25	Other off-balance sheet exposures	16	25
Other adjustments	(2,392)	(2,269)	Tier 1 capital	40,575	38,475
			Total Leverage Ratio exposures	P218,543	P212,648
Leverage Ratio Exposures	P218,543	P212,648	Basel III Leverage Ratio	18.57%	18.09%

Liquidity Coverage Ratio

On March 10, 2016 and February 8, 2018, the BSP issued Circular Nos. 905 and 996, respectively, which include guidelines on LCR, and LCR disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets (HQLAs) to total net cash outflows. To promote the short-term resilience of the liquidity risk profile of the Bank, it shall maintain an adequate stock of unencumbered HQLAs that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least thirty (30) calendar days, which would give time for corrective actions to be taken by the Bank's management and/or the BSP.

On March 15, 2019, the BSP issued Circular No. 1035 which approved the: (1) extension of the observation period of the minimum Basel III LCR requirement to December 31, 2019 for subsidiary banks and quasi-banks (QBs) of universal and commercial banks (U/KBs), (2) adoption of a seventy percent (70.00%) LCR floor for subsidiary banks and QBs during the observation period, (3) minimum requirement of one hundred (100.00%) starting January 1, 2020. As of September 30, 2025 and December 31, 2024, the LCR in single currency as reported to the BSP, is 204.15 % and 181.64%%, respectively.

Net Stable Funding Ratio

On June 6, 2018, the BSP issued Circular No. 1007, covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - NSFR. The NSFR limits overreliance on short-term wholesale funding and promotes enhanced assessment of funding risk across all on- and off-balance sheet accounts. The NSFR complements the LCR, which promotes short term resilience of the Bank's liquidity profile. The covered bank shall maintain an NSFR of at least 100.0 percent at all times. Compliance with this requirement was phased-in effective July 1, 2018, with full implementation of the minimum NSFR on January 1, 2019.

On March 15, 2019, the BSP issued Circular No. 1034 which approved the extension of the observation period for the Basel III Framework on Liquidity Standards - NSFR for subsidiary banks/quasi-banks.

The implementation of the minimum NSFR shall be phased in to help ensure that the covered banks/QBs can meet the standard through reasonable measures without disrupting credit extension and financial market activities. In order to facilitate compliance, covered banks/QBs shall undergo an observation period before the NSFR becomes a minimum requirement. Subsidiary banks/QBs of U/KBs shall be subject to an NSFR floor of seventy percent (70.00%) during the observation period. Starting January 1, 2020, the minimum NSFR for subsidiary banks/quasi-banks of universal and commercial banks (UBs/KBs) shall be 100.00%. As of September 30, 2025 and December 31, 2024, the NSFR as reported to the BSP, were at 126.28 % and 125.98%, respectively.

Basel III Countercyclical Capital Buffer

On December 6, 2018, the BSP issued Circular No. 1024 covering the Philippine adoption of the Basel III Countercyclical Capital Buffer (CCyB) which imposed the following capital buffers:

- Capital Conservation buffer (CCB) of two and a half percent (2.50%); and

- Countercyclical capital buffer (CCyB) of zero percent (0.00%) subject to upward adjustment to a rate determined by the Monetary Board of the BSP when systemic conditions warrant but not to exceed two and a half percent (2.50%). Any increase in the CCyB rate shall be effective 12 months after its announcements. Decreases shall be effective immediately.

The prescribed ratios shall be maintained at all times.

Applicable Tax Regulations

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 gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include corporate income tax, further discussed below, and final taxes paid at the rate of 20.00%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20.00% of the interest income subject to final tax.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Bank’s income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020, 2021 and 2022, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Starting July 1, 2008, the Optional Standard Deduction (OSD) equivalent to 40.00% of gross income may be claimed as an alternative deduction in computing for the RCIT. The Bank elected to claim itemized expense deductions instead of the OSD in computing for the RCIT in 2024 and 2023.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense for a service company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

FCDU offshore income (income from non-residents) is tax-exempt while gross onshore income (income from residents) is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and OBUs is taxed at 15.00% in 2024 and 2023. Under current tax regulations, the income derived by the FCDU from foreign currency transactions with non-residents, OBUs, local commercial banks, including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax.

Financial Soundness Indicators

The following ratios measure the financial performance of the Bank:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Return on average assets*	1.73%	2.29%
Return on average equity*	8.41%	12.36%
Net interest margin on average earning assets	6.69%	6.00%
Liquidity ratio	12.26%	20.09%
Debt-to-equity ratio	3.82:1	3.91:1
Asset-to-equity ratio	4.82:1	4.91:1
Interest rate coverage ratio	2.04:1	2.30:1

* computed based on annualized net income

16. Miscellaneous Income

This account consists of:

	For the Nine Months Ended September 30	
	2025 (Unaudited)	2024 (Unaudited)
Recovery of charged-off assets	₱325,028,324	₱194,434,045
Insurance commission income	72,133,297	54,013,460

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Rental income	48,212,777	44,450,716
Others	82,018,975	90,247,011
	₱527,393,373	₱383,145,232

Rental income arises from the lease of properties and safety deposit boxes of the Bank.

Other miscellaneous income includes renewal fees, checkbook charges, break funding cost and other miscellaneous income. Accretion of modified loans amounted to ₱11.6 million and ₱32.7 million in September 30, 2025 and 2024, respectively.

17. Interest Expense on Deposit Liabilities and Miscellaneous Expenses

Interest expense on deposit liabilities consists of:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Time	₱2,974,133,911	₱3,331,666,425
Demand	37,506,278	37,402,588
Savings	34,179,904	33,630,824
LTNCD	-	12,715,457
	₱3,045,820,093	₱3,415,415,294

Miscellaneous expenses account consists of:

	For the Nine Months Ended September 30	
	2025	2024
	(Unaudited)	(Unaudited)
Insurance	₱358,949,735	₱261,884,000
Information technology	349,446,914	357,059,178
Litigation	191,742,309	208,528,742
Communications	86,765,348	93,850,658
Repairs and maintenance	65,521,744	87,426,890
Supervision and Examination fees	41,194,141	40,947,157
Transportation and traveling	40,673,766	48,483,254
Stationery and supplies	39,513,126	32,638,004
Advertising	37,957,776	38,576,189
Management and other professional fees	15,398,762	14,720,879
Banking activities expenses	11,680,921	8,484,073
Training and seminars	9,386,214	16,807,229
Donations and charitable contributions	6,831,667	8,361,000
Fines, penalties and other charges	4,384,595	4,332,541
Membership fees and dues	2,930,329	3,479,743
Others	12,346,163	8,610,194
	₱1,274,723,510	₱1,234,189,731

Insurance expense includes premiums paid to the Philippine Deposit Insurance Corporation (PDIC) amounting to million ₱254.5 million and ₱261.9 million in September 30, 2025 and 2024, respectively.

Other expenses include entertainment, amusement and recreation (EAR), rewards and incentives, meeting allowance, sponsorship expenses, home free loan expenses, appraisal fees and notarial fees.

18. Related Party Transactions

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

- Bank's Directors, Officers, Stockholders and their Related Interests (DOSRI) as defined per BSP's existing DOSRI rules and regulations;
- Close Family Members (i.e., 2nd degree relatives) of the Bank's Directors, Officers with rank of SVP and up, and Individual Substantial Stockholders;
- Bank's Subsidiaries and Affiliates as defined per BSP's existing rules and regulations on lending to subsidiaries and affiliates;
- Any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Subsidiaries, Affiliates and Special Purpose Entities (SPEs) of any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Corresponding Persons in Affiliated Companies as defined in the Bank's Related Party Transaction (RPT) Policy; and
- Any natural person or juridical entity whose interest may pose potential conflict with the Bank's interest.

The Bank has several business relationships with related parties. The terms of the transactions with such parties are listed below on substantially the same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties, and are usually settled in cash. These transactions also did not involve more than the nominal risk of collectability or present other unfavorable conditions.

Transactions with the Retirement Plan

On December 20, 2012, the SEC issued Memorandum Circular No. 12 providing for guidelines on the disclosure of transactions with retirement benefit funds. Under said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund, in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Under PFRS, certain post-employment benefit plans are considered as related parties. The Bank has business relationships with its retirement plan pursuant to which it provides trust and management services to the said plan. The retirement plan of the employees of the Bank is being managed and maintained by the Trust Division of the Bank.

The following table shows the amount of outstanding balances of related party transactions of the Bank with the retirement plan of the employees of the Bank as of September 30, 2025 and December 31, 2024:

		September 30, 2025 (Unaudited)	
		Elements of Transaction	
Related Party	Nature of Transaction	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	₱13,224,565	₱-
	Investment in Money Market Fund*	41,453,069	-
	Income from UITF**	-	1,207,985
	Interest income	-	16,103
First Metro ETF	Equity investment***	21,843,262	-
*Includes fair value gains of ₱3.6 million			
**Includes fair value gains of ₱1.2 million			
***Includes fair value loss of ₱2.5 million			

		December 31, 2024 (Audited)	
		Elements of Transaction	
Related Party	Nature of Transaction	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	₱17,827,917	₱-
	Investment in Money Market Fund*	40,245,085	-
	Income from UITF**	-	1,775,901
	Interest income	-	17,250
First Metro ETF	Equity investment***	23,417,750	-
*Includes fair value gains of ₱2.4 million			
**Includes fair value gains of ₱0.5 million			
***Includes fair value loss of ₱0.9 million			

Transactions relating to the Bank's retirement plan are approved by its Retirement Committee. The voting right over the investments in the Bank's capital stocks is exercised by a member of the Retirement Committee as approved by all members of the Retirement Committee, whom are senior officers of the Bank.

Remunerations of Directors and Other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Management Committee to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*.

Total remunerations of key management personnel (covering assistant vice presidents and up) included under 'Compensation and fringe benefits' in the statements of income are as follows:

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)
Short-term employee benefits	P292,803,920	P285,408,285
Post-employment pension benefits	4,417,789	7,185,126
	P297,221,709	P292,593,411

Short-term employee benefits include salaries and other non-monetary benefits.

Remuneration given to directors, as approved by the Board Remuneration Committee, amounted to P12.0 million and P11.4 million in September 30, 2025 and 2024, respectively.

The Bank also provides banking services to directors and other key management personnel and persons connected to them.

Other Related Party Transactions

Other related party transactions of the Bank by category of related party are presented below. The following tables show the amount and outstanding balances included in the financial statements (in thousands):

Category	September 30, 2025 (Unaudited)		Nature, Terms and Conditions
	Amount/ Volume	Outstanding Balance	
Parent Company			
Due from other banks	(P454,113)	P840,329	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.05% to 5.00%
Financial assets at amortized cost	–	60,000	Pledged for security of payroll account with MBTC
Interbank call loans receivable		–	Peso denominated lending with fixed interest rate ranging from 5.06% to 5.94% maturities ranging from 1 to 5 days, secured
Placements	452,860,000		
Maturities	(452,060,000)		Php 0.00
Accounts receivable	1,275	4,254	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Prepaid Expenses	44,568	44,568	Advance payments of rent and IT related transactions
Miscellaneous assets	537	2,250	Security deposits on lease contracts
Miscellaneous liabilities	4,038	16,291	Advance payments of security deposits from various tenants
Deposit liabilities	2,635	56,333	Short term peso and foreign-currency denominated deposits
Accrued other expense payable	(29,990)	11,495	Outstanding information technology expense payable
Interest income	109,504	–	Income on deposits and interbank call loans receivables
Rental income	22,211	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Information technology expense	142,962	–	Payment of information technology transactions
Interest expense	2,916	–	Interest from bills payable and deposit liabilities
Securities transactions			
Outright purchases	6,401,800	–	Outright purchase of FVOCI investments
Outright sales	4,000,000	–	Outright sale of FVOCI investments
Joint Venture			
Investment in a joint venture	8,531	900,568	Outstanding balance of capital investment in SMFC
Dividends from joint venture	37,980	–	Dividends from SMFC
Accounts receivable	(143)	921	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	87,632	318,458	Demand and short-term peso time deposits with annual fixed rates of 0.25% to 4.75%
Accrued interest payable	(447)	371	Interest payable on deposit liabilities
Miscellaneous liabilities	–	10,540	Advance payment of security deposits
Rental income	14,085	–	Income from leasing agreements
Interest expense	11,899	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers		1,113,670	Peso denominated lending which earn 5.04% to 6.00% with maturity terms from 1 to 15 years (excluding key personnel); mostly unsecured, with ECL
Placements	–	–	
Maturities	6,825	–	
Accrued Interest Receivable	17,711	17,711	Accrued Interest on Loans
Miscellaneous assets	65	2,773	Security deposits
Accounts receivable	(1,661)	1,094	Outstanding ATM service fees, rental and utility receivables, non interest bearing
Prepaid insurance	4,689	9,581	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	5,491,159	7,485,202	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 5.00%
Accrued other expense payable	(446)	–	Outstanding group life insurance
Accrued interest payable	18,148	23,610	Interest payable on deposit liabilities
Accounts payable	–	206	Various personal and car insurance payable
Miscellaneous liabilities	(1,811)	5,067	Advance payment of security deposits

September 30, 2025 (Unaudited)

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Rental income	6,948	–	Income from leasing agreements with various lease terms
Interest income	35,631	–	Interest income on loans receivables
Miscellaneous income	34,820	–	Miscellaneous income from insurance
Insurance expense	41,319	–	Payment of insurance premium
Interest expense	310,828	–	Interest on deposit liabilities
Rent expense	212	–	Payment of rent expense to various lessors
Key Personnel			
Receivables from customers		15,063	Unsecured, no impairment, with annual
Availments	3,115	–	fixed interest rates of 3.00% to 6.00%
Maturities	2,202	–	and maturities ranging from 1 to 15 years
Interest income	936	–	Interest income from loans

December 31, 2024 (Audited)

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Due from other banks	₱165,388	₱1,294,442	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.05% to 5.00%
Financial assets at amortized cost	–	60,000	Pledged for security of payroll account with MBTC
Interbank call loans receivable	–	–	Peso denominated lending with fixed interest rate ranging from 5.94% to 6.59% maturities ranging from 1 to 5 days, secured Php 0.00
Placements	–	–	
Maturities	–	–	
Accounts receivable	(444)	2,980	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Miscellaneous assets	856	1,713	Security deposits on lease contracts
Miscellaneous liabilities	8,695	12,253	Advance payments of security deposits from various tenants
Deposit liabilities	–	53,698	Short term peso and foreign-currency denominated deposits
Accrued other expense payable	16,182	41,485	Outstanding information technology expense payable
Interest income	94,208	–	Income on deposits and interbank call loans receivables
Rental income	23,183	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Rent expense	2,338	–	Payment of rent
Information technology expense	165,206	–	Payment of information technology transactions
Interest expense	6,938	–	Interest from bills payable
Securities transactions			
Outright purchases	24,187,700	–	Outright purchase of FVOCI investments
Joint Venture			
Investment in a joint venture	48,188	892,037	Outstanding balance of capital investment in SMFC
Dividends from joint venture	32,701	–	Dividends from SMFC
Accounts receivable	779	1,064	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	(158,225)	230,826	Demand and short-term peso time deposits with annual fixed rates of 0.25% to 5.75%
Accrued interest payable	818	818	Interest payable on deposit liabilities
Miscellaneous liabilities	2,679	10,540	Advance payment of security deposits
Rental income	18,855	–	Income from leasing agreements
Interest expense	22,830	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers		1,120,495	Peso denominated lending which earn 5.04% to 6.00% with maturity terms from 1 to 15 years (excluding key personnel); mostly
Placements	–	–	unsecured, with ECL
Maturities	(20,587)	–	
Miscellaneous assets	(1,430)	2,708	Security deposits
Accounts receivable	1,711	2,756	Outstanding ATM service fees, rental and utility receivables, non interest bearing
Prepaid insurance	667	4,893	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	(1,773,070)	1,994,042	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 5.88%
Accrued other expense payable	–	446	Outstanding group life insurance
Accrued interest payable	5,462	5,462	Interest payable on deposit liabilities
Accounts payable	661	206	Various personal and car insurance payable
Miscellaneous liabilities	2,101	6,878	Advance payment of security deposits
Rental income	11,745	–	Income from leasing agreements with various lease terms
Miscellaneous income	21,851	–	Miscellaneous income from insurance
Insurance expense	53,370	–	Payment of insurance premium
Interest expense	313,314	–	Interest on deposit liabilities
Rent expense	222	–	Payment of rent expense to various lessors
Securities transactions			
Outright purchases	3,160,000	–	Outright purchase of Financial Assets at amortized cost
Key Personnel			
Receivables from customers		14,151	Unsecured, no impairment, with annual
Availments	3,067	–	fixed interest rates of 3.00% to 6.00%
Maturities	2,830	–	and maturities ranging from 1 to 15 years
Interest income	1,193	–	Interest income from loans

19. Commitments and Contingent Liabilities

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are not reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

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

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trust department accounts	₱9,152,284,762	₱10,249,018,666
Stand-by credit lines	47,404,869	79,885,313
Late deposits/payments received	575,104	–
Items held for safekeeping	245,951	258,875
Spot foreign exchange and contracts sale	–	28,922,500
Others	47,599	49,957

Also, several suits and claims, on behalf of or against the Bank in relation to its banking operations and labor-related cases are pending before the courts and quasi-judicial bodies. The Bank and its legal counsel believe that any losses arising from suits and claims which are not specifically provided for will not have a material adverse effect on the financial statements.

20. Subsequent Event

Cash Dividend Declaration

On October 23, 2025, the BOD of the Bank approved the declaration of a 7.5% regular cash dividend for the third quarter of 2025 for stockholders on record as of November 10, 2025 amounting to ₱320.1 million or ₱0.75 per share, to be paid on November 24, 2025.

21. Other Disclosures

- a) There are no unusual items of asset, liability, equity, net income or cash flow.
- b) No material items of changes were noted in the comparison of actual results with estimated amounts.
- c) No unregistered securities were sold or offered for sale by the Bank as of September 30, 2025.
- d) Segment revenue and result of business segments are found in subsequent tables.
- e) The Bank was not engaged in any business combinations, acquisitions or disposal of subsidiaries and long-term investments.

PHILIPPINE SAVINGS BANK**UNAUDITED SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2025 AND 2024**

	September 30 (Unaudited)	
	2025	2024
PROFITABILITY RATIOS		
Return on Assets		
<u>Net Income</u> *	1.73%	2.34%
Average Total Resources		
Return on Equity		
<u>Net Income</u> *	8.41%	12.77%
Average Stockholders' Equity		
Net Interest Margin		
<u>Net Interest Income</u>	6.69%	5.91%
Average Earning Assets		
Cost to Income Ratio		
Operating Expenses Excluding Provision for Impairment and Credit Losses and Income Taxes	59.69%	60.10%
Net Interest Income + Operating Income		
SOLVENCY RATIOS		
Debt to Equity Ratio		
<u>Total Liabilities</u>	3.82:1	4.03:1
Total Stockholders' Equity		
Asset-to-Equity Ratio		
<u>Total Assets</u>	4.82:1	5.03:1
Total Stockholders' Equity		
Interest Rate Coverage Ratio		
<u>Earnings Before Interest and Taxes</u>	2.04:1	2.24:1
Interest Expense		
LIQUIDITY RATIOS		
Liquidity Ratio		
<u>Current Assets</u>	12.26%	28.67%
Current Liabilities		
Loans to Deposit Ratio		
<u>Gross Loans</u>	94.39%	82.89%
Total Deposits		
Capital Adequacy Ratio		
<u>Total Qualifying Capital</u>	24.64%	24.19%
Total Risk-Weighted Assets		

*Computed based on annualized net income

PHILIPPINE SAVINGS BANK**ITEM II. MANAGEMENT DISCUSSION AND ANALYSIS**

Analysis of Statements of Condition**As of September 30, 2025 (Unaudited) and December 31, 2024 (Audited)**

The Bank recorded Total Assets as of September 30, 2025 at ₱222.31 billion as of September 30, 2025. This was 2.75% higher than the ₱216.36 billion level in December 2024.

As of September 30, 2025, Loans and Receivables, net of allowance and unearned interest and discounts, representing 68.93% of total assets was higher by 6.54% from ₱143.82 billion in December 31, 2024 to ₱153.23 billion recorded in September 2025. Auto, Real Estate and Commercial Loans grew 8.36%, 5.51% and 8.28%, respectively.

Interbank Loans Receivable and Securities Purchased under Resale Agreements increased ₱3.12 billion to ₱3.52 billion in September 2025 from ₱0.40 billion in December 2024. Cash and Other Cash Items decreased 3.43% to ₱1.72 billion in September 2025 from ₱1.78 billion as of December 2024. Due from Other Banks decreased 13.98% or ₱0.25 billion to ₱1.56 billion from ₱1.82 billion in December 2024. Meanwhile, Due from Bangko Sentral ng Pilipinas decreased to ₱0.56 billion from ₱1.18 billion in December 2024 due to reduction in reserve requirements under the BSP Circular No. 2025-1211 issued on March 11, 2025.

As of September 30, 2025, Fair Value Through Other Comprehensive Income (FVOCI) went down to ₱22.61 billion from ₱25.89 billion in December 2024. Likewise, Investment Securities at Amortized Cost declined to ₱27.20 billion as of September 30, 2025 from year-end level of ₱30.10 billion, while Fair Value through Profit or Loss Investments (FVTPL) decreased by 15.31% or ₱46.03 million to ₱254.57 million in September 2025 from ₱300.60 million in December 2024. These investment securities represent 22.52% of the total assets as of September 30, 2025.

Investment Properties decreased by 3.39% or ₱123.32 million to ₱3.52 billion as of September 30, 2025. Property and Equipment went down by 4.34% or ₱138.43 million to ₱3.05 billion as of September 30, 2025.

Investments in a joint venture increased by 0.69% or ₱6.17 million to ₱898.20 million in September 30, 2025, due to the recognition of PSBank's share in the net performance of Sumisho Motor Finance Corporation (SMFC), a joint venture between PSBank and Sumitomo Corporation. As of September 30, 2025, the Bank's ownership interest in SMFC is 30.00%.

Deferred Tax Assets was recorded at ₱1.32 billion as of September 30, 2025 and December 31, 2024. Goodwill and Other Intangibles decreased by 4.76% or ₱21.91 million to ₱438.88 million in September 2025 from ₱460.79 million in December 2024.

Other Assets as of September 30, 2025 and December 31, 2024 amounted to ₱2.42 billion and ₱1.56 billion, respectively.

The Bank's deposit level, representing 92.90% of total liabilities, reached ₱163.65 billion, 0.55% lower than ₱164.55 billion in December 2024. CASA grew 0.16% or ₱0.30 billion to ₱73.58 billion and Time deposits decreased by 1.32% to ₱90.07 billion in September 2025.

On August 18, 2025, the Bank issued fixed rate bonds amounting to ₱5.00 billion with a tenor of two (2) years and due on August 18, 2027 with interest rate of 5.88% per annum payable quarterly.

Treasurer's, Cashier's and Manager's Checks declined to ₱0.96 billion in September 2025 from ₱1.62 billion in December 2024. Likewise, Accrued Taxes, Interest and Other Expenses decreased 6.45% or ₱144.98 million to ₱2.10 billion in September 2025 from ₱2.25 billion in December 2024.

Other Liabilities decreased 14.10% or ₱540.76 million to ₱3.30 billion in September 2025 from ₱3.84 billion as of year-end 2024.

Total Capital remained strong at ₱46.15 billion, 4.64% or ₱2.05 billion higher than December 31, 2024 level of ₱44.11 billion. Fair Value Reserves on Financial Assets at FVOCI was recorded at ₱178.35 million in September 2025 versus ₱16.97 million in December 2024.

The Bank recorded Remeasurement Losses on Retirement Plan of ₱1.04 billion as of September 30, 2025 and December 31, 2024. Meanwhile, the Bank's share in the Remeasurement losses on retirement plan of a joint venture was recorded at ₱2.42 million as of September 30, 2025 and December 31, 2024.

As of September 30, 2025, Cumulative Translation Adjustment amounted to ₱9.66 million.

As of September 30, 2025, Capital Adequacy Ratio (CAR) was at 24.64%. This is above the minimum regulatory requirement of 10%.

Return on Average Equity (ROAE) was registered at 8.41% in September 2025 compared to the 12.36% recorded in December 2024. Return on Average Assets (ROAA) was at 1.73% in September 2025 versus 2.29% in December 2024.

Discussion of Results of Operations

For the nine months ended September 30, 2025 (Unaudited) and September 30, 2024 (Unaudited)

The Bank registered a net income of ₱2.85 billion in the third quarter of 2025 from ₱4.00 billion reported last year.

Total Interest Income for the nine months of 2025 was recorded at ₱13.01 billion, 3.02% higher than ₱12.63 billion in the same period last year. Total Interest Expense decreased 9.29% or ₱324.38 million to ₱3.17 billion from ₱3.49 billion year on year. Net Interest Income increased 7.72% or ₱705.79 million to ₱9.85 billion versus the ₱9.14 billion posted during the same period last year, fueled by sustained demand across consumer and SME loans.

Interest income on Loans and Receivables was recorded at ₱10.86 billion, 15.33% higher than ₱9.42 billion recorded on the same period last year. Interest income on Investment Securities decreased to ₱1.94 billion from ₱2.59 billion year on year. Interest earned from deposits with BSP and other banks amounted to ₱44.64 million and ₱5.48 million, respectively. Meanwhile, Interest earned from Interbank Loans Receivable and SPURA went down to ₱161.69 million or 46.18% lower than the ₱300.46 million posted in 2024.

Interest Expense on the Bank's deposit liabilities amounted to ₱3.05 billion. The Bank recorded ₱56.98 million in Interest Expense on lease liabilities and ₱25.40 million Interest Expense on bills payable for the first three quarters of 2025.

Net Service Fees and Commission Income decreased to ₱1.28 billion, 7.13% lower than the ₱1.38 billion recorded last year.

Meanwhile, Other Operating Income decreased by 34.57% or ₱351.55 million to ₱665.38 million.

The Bank posted a net gain (loss) on foreclosure and sale of chattel mortgage amounting to (₱263.99) million and ₱282.53 million for the period ended September 30, 2025 and 2024, respectively. Net gain on foreclosure and sale of investment properties amounting to ₱286.47 million in September 2025, lower by ₱33.29 million from ₱319.76 million in 2024.

For the nine months ended September 30, 2025, Gain on sale of property and equipment and Trading and securities gains - net were recorded at ₱3.04 million and ₱100.55 million, respectively. Meanwhile, Foreign exchange gain and Miscellaneous Income were posted at ₱11.92 million and ₱527.39 million, respectively.

Other Operating Expenses, excluding provision for impairment and credit losses, increased 1.59% to ₱7.02 billion in September 2025 from ₱6.91 billion in September 2024. Taxes and Licenses went down by 4.44% or ₱51.69 million to ₱1.11 billion from ₱1.16 billion in 2024. Depreciation and amortization of Bank's properties and leasehold improvements rose to ₱789.22 million, 12.44% or ₱87.32 million higher than ₱701.91 million recorded in September 2024. Meanwhile, amortization of software costs was recorded at ₱102.61 million in September 2025. Compensation and Fringe Benefits amounted to ₱3.08 billion while security, messengerial, and janitorial services was at ₱415.89 million. Occupancy and equipment-related costs and Miscellaneous Expenses were recorded at ₱0.24 billion, and ₱1.27 billion, respectively.

For the period ended September 30, 2025, the Bank set aside ₱1.54 billion in provision for impairment and credit losses.

The Bank also reported share in net performance from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱44.15 million in September 2025.

For the quarter ended September 30, 2025 (Unaudited) vs. September 30, 2024 (Unaudited)

The Bank reflected a net income of ₱681.43 million in the third quarter of 2025 from ₱1.44 billion reported last year.

Total Interest Income for the third quarter of 2025 was registered at ₱4.37 billion, 6.32% higher than the ₱4.11 billion recorded in the same quarter last year. Total Interest Expense increased 3.57% to ₱1.10 billion from ₱1.06 billion posted during the same quarter last year. These resulted to increase in Net Interest Income by 7.27% or ₱222.19 million to ₱3.28 billion from the ₱3.06 billion recorded during the third quarter of 2024.

Interest income on Loans and Receivables increased 12.37% or ₱401.11 million to ₱3.64 billion as compared against the ₱3.24 billion posted during same quarter last year. Interest earned from Investment Securities decreased 3.56% or ₱24.42 million to ₱661.33 million. Interest earned from Interbank Loans Receivable and SPURA decreased to ₱49.97 million, 42.59% lower than the ₱87.05 million in 2024. Interest earned from deposit with BSP was recorded at ₱13.09 million. Interest income from placements with other banks was recorded at ₱2.33 million in September 2025.

Other Operating Income rose to ₱278.19 million during the third quarter of 2025. The gain (loss) on foreclosure and sale of chattel mortgage properties was posted at (₱73.39) million and ₱44.79 million for the period ended September 30, 2025 and 2024, respectively. Gain from foreclosure and sale of investment properties increased to ₱110.99 million versus ₱72.37 million during the same quarter last year. Miscellaneous Income increased 41.51% or ₱48.36 million to ₱164.84 million from ₱116.48 million during the third quarter of 2024. The Bank reflected a foreign exchange gain of ₱5.60 million for the third quarter of 2025.

Total Operating Expenses, excluding provision for impairment was recorded at ₱2.48 billion and ₱2.29 billion for the third quarter of 2025 and 2024, respectively. The Bank set aside a provision for credit loss of ₱666.27 million during the third quarter of 2025.

Compensation and fringe benefits was recorded at ₱1.02 billion for the period ended September 30, 2025 and 2024. Occupancy and equipment-related costs increased 21.51% or ₱18.22 million to ₱102.90 million compared to ₱84.69 million on the same quarter last year. Security, messengerial and janitorial services slid to ₱149.98 million from ₱152.63 million during the third quarter of 2024. Amortization of software costs went up to ₱42.78 million in 2025 from ₱24.64 million posted a year ago. In addition, taxes and licenses increased 2.34% or ₱8.62 million to ₱377.85 million from ₱369.23 million for the quarter ended September 2024.

The Bank also recorded share in income from its investments in Sumisho Motor Finance Corporation (SMFC) amounting to ₱6.50 million and ₱17.32 million for the third quarter of 2025 and 2024, respectively.

Analysis of Key Financial Soundness Indicators

For the Quarter Ended September 30, 2025 vs. September 30, 2024 (Unaudited) Comparative highlights on Key Financial Soundness Indicators

The following ratios measure the financial performance of the Bank:

		September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	December 31, 2024 (Audited)
Return on Average Equity*	ROAE	8.41%	12.77%	12.36%
Return on Average Assets*	ROAA	1.73%	2.34%	2.29%
Net Interest Margin on Average Earning Assets	NIM	6.69%	5.91%	6.00%
Earnings per share	EPS	₱6.67	₱9.38	₱12.20
Capital-to-Risk Assets Ratio	CAR	24.64%	24.19%	23.56%
Liquidity Ratio	LR	12.26%	28.67%	20.09%
Debt-Equity Ratio	DER	3.82:1	4.03:1	3.91:1
Asset-to-Equity Ratio	AER	4.82:1	5.03:1	4.91:1
Interest Rate Coverage Ratio	IRCR	2.04:1	2.24:1	2.30:1

* computed based on annualized net income

1. Return on Average Equity (ROAE) in September 30, 2025 decreased to 8.41% from 12.77% in the same period last year. ROAE measures how well the Bank is using common shareholders' invested money. It is calculated by dividing the annualized net income by the average of the outstanding balances of shareholders' equity at the beginning and ending of the period.
2. Return on Average Assets (ROAA) decreased to 1.73% from 2.34% in September 30, 2025 versus the same period last year. ROAA is calculated by dividing the annualized net income by the average of the outstanding balances of total assets at the beginning and ending of the period.
3. Net Interest Margin on Average Earning Assets (NIM) was posted at 6.69% and 5.91% for the comparative periods of September 30, 2025 and 2024, respectively. NIM is calculated by dividing the net interest income by the average earning assets. Average interest-earning assets is based on outstanding balances at the beginning and ending of the period divided by two. (Earning assets comprised of Due from Bangko Sentral ng Pilipinas (BSP), Due from Other Banks, Interbank Loans Receivable and Securities Purchased Under Resale Agreements, Loans & Discounts (Current), Financial Assets at Fair Value Through Profit or Loss (FVTPL), Financial Assets at Fair Value Through Other Comprehensive (FVOCI) and Investment at Amortized Cost and Other Assets – Liquidity Requirement for electronic money products and Sales Contract Receivables.
4. Earnings per Share (EPS) decreased to ₱6.67 as of September 30, 2025 compared to the ₱9.38 EPS. posted last year. EPS represents the net profit the Bank has generated per common share. It is computed by dividing the year to date net income by the weighted average number of outstanding common shares.
5. Capital-to-Risk Assets Ratio (CAR) was higher at 24.64% in September 2025 versus 24.19% in September 2024. CAR is the measure of the Bank's capital strength. It is calculated by dividing the qualified capital by risk-weighted assets as defined by the BSP.
6. Liquidity Ratio (LR) was lower at 12.26% in September 2025 from 28.67% in the same period last year. LR measures the Bank's ability to meet its short-term liabilities. It is derived by dividing the current assets by current liabilities.
7. Debt-to-Equity Ratio (DER) decreased to 3.82:1 as of September 30, 2025 from 4.03:1 in September 2024. DER indicates the extent to which the Bank's leveraged, or financed by credit. This is computed by dividing total liabilities by total stockholder's equity.
8. Asset-to-Equity Ratio (AER) decreased to at 4.82:1 as of September 30, 2025 from 5.03:1 as of September 30, 2024. AER is computed by dividing the total assets by total shareholder's equity.
9. Interest Rate Coverage Ratio (IRCR) declined to 2.04:1 from 2.14:1 year-on-year. IRCR is a measure of the Bank's ability to meet its interest payments on outstanding debt. It is calculated by dividing the total earnings before interest and taxes over interest expense.

Key Variables and Other Qualitative and Quantitative Factors

Liquidity

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

The level of liquid assets remained strong, exhibiting healthy growth in both placements with BSP/other banks and investments.

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

The Bank also performs liquidity stress testing under various stress scenarios to ensure its ability to meet its funding obligations. The Bank has a Liquidity Contingency Funding Plan to anticipate and manage any funding crisis that may occur.

Material Commitments for Capital Expenditures

The Bank's capital expenditure target in 2025 includes projected expenses for IT-related activities on systems and licenses, and upgrade of bank premises including infrastructure, furniture, fixtures and equipment.

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

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

Known Trends, Events or Uncertainties or Seasonal Aspects

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

PHILIPPINE SAVINGS BANK
AGING OF RECEIVABLES

	As of September 30, 2025 (Unaudited)							
	TOTAL	CURRENT	PAST DUE & ITEMS IN LITIGATION	90 Days or Less	91-180 Days	PAST DUE 181 Days to 1 Year	More Than 1 Year	ITEMS IN LITIGATION
Accounts Receivables	P741,510,953	P225,261,468	P516,249,485	P27,990,379	P5,423,452	P7,506,895	P466,134,932	P9,193,827
Accrued Interest Receivables	2,062,083,733	1,819,955,522	242,128,211	124,880,420	46,881,350	33,213,121	16,276,460	20,876,860
Sales Contract Receivable	3,813,871	-	3,813,871	-	-	-	-	3,813,871
Total Receivables	P2,807,408,557	P2,045,216,990	P762,191,567	P152,870,799	P52,304,802	P40,720,016	P482,411,392	P33,884,558