



Bank of Commerce

An affiliate of San Miguel Corporation



November 7, 2025

SECURITIES AND EXCHANGE COMMISSION

17/F SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

Attention : **DIRECTOR OLIVER O. LEONARDO**
Markets and Securities Regulation Department

THE PHILIPPINE STOCK EXCHANGE, INC.

5th Avenue corner 28th Street
Bonifacio Global City, Taguig

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

PHILIPPINE DEALING & EXCHANGE CORP.

29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

Attention : **ATTY. SUZY CLAIRE R. SELLEZA**
Head, Issuer Compliance and Disclosure Department

Mesdames/Gentlemen:

We submit herewith the September 30, 2025 SEC 17-Q report of Bank of Commerce.

Thank you.

Very truly yours,

ANTONIO S. LAQUINDANUM
EVP/Chief Financial Officer
Corporate Information Officer

COVER SHEET

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SEC Registration Number

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ANTONIO S. LAQUINDANUM

Contact Person

8 9 8 2 6 0 0 0

Company Telephone Number

1	2
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Month

3	1
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Day

1	7	Q
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Form Type

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Month

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Day

Fiscal Year

Annual Meeting

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Secondary License Type, If Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

Total Amount of Borrowings

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Total No. of Stockholders

--

Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

SEC Number	<u>24221</u>
PSE Code	<u> </u>
File Number	<u> </u>

BANK OF COMMERCE

(Company's Full Name)

**San Miguel Properties Centre
No. 7 St. Francis Street Mandaluyong City**

(Company's Address)

8982-6000

(Telephone Number)

December 31

(Fiscal Year Ending)

SEC FORM 17-Q

Form Type

Amendment Designation (if applicable)

September 30, 2025

For the Quarterly Period Ended

(Secondary License Type and File Number)

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 **24221**
3. BIR Tax Identification No **000 440 440**
4. Exact name of issuer as specified in its charter **BANK OF COMMERCE**
5. Province, country or other jurisdiction of incorporation or organization **PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)
SAN MIGUEL PROPERTIES CENTRE, NO. 7 ST FRANCIS STREET, MANDALUYONG
CITY 1550, PH
7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code **+63-2-8982 6000**
9. Former name, former address and former fiscal year, if changed since last report **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stocks	1,403,013,920

11. Are any or all of the securities listed on a Stock Exchange?

Yes ☒ No ☐

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

The Philippine Stock Exchange, Inc: Common Shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

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

Yes ☒ No ☐

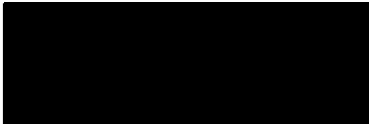
SIGNATURES

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

BANK OF COMMERCE

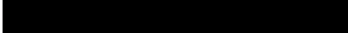
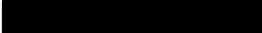
Issuer

By:



ANTONIO S. LAQUINDANUM
EVP/Chief Financial Officer

SUBSCRIBED AND SWORN to before me this ____ day of NOV 07 2025 ^{MANDALUYONG CITY} affiant(s) exhibiting to me his/their government issued ID, as follows:

Names	Identification No.	Place of Issue	Expiry Date
Antonio S. Laquindanum			

Notary Public

Doc. No.: 221

Page No.: 46

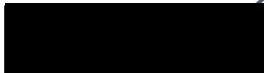
Book No.: V

Series: 2025

Documentary Stamp numbered

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RENIER ARIES A. RAZON
NOTARY PUBLIC FOR MANDALUYONG CITY


UNTIL 31 DECEMBER 2025
SMPC, # 7 ST. FRANCIS ST., MANDALUYONG CITY
 / 02 JAN 2025 / MANDALUYONG CITY


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BANK OF COMMERCE

INTERIM CONDENSED 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)**

BANK OF COMMERCE
INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
ASSETS			
Cash and Other Cash Items		P3,202,992,645	P4,244,123,801
Due from Bangko Sentral ng Pilipinas		11,726,204,895	47,913,456,924
Due from Other Banks		1,929,259,269	3,819,385,135
Interbank Loans Receivable and Securities Purchased under Resale Agreements	8	17,374,033,798	3,587,364,728
Financial Assets at Fair Value through Profit or Loss	9	4,974,569,035	2,875,633,794
Financial Assets at Fair Value through Other Comprehensive Income	10	31,181,965,979	19,078,633,835
Investment Securities at Amortized Cost	11	44,721,222,292	36,611,668,381
Loans and Receivables	12	150,178,940,145	136,505,340,381
Investment in an Associate		34,193,751	34,432,505
Property, Equipment and Right-of-Use Assets		1,984,049,466	2,000,100,022
Investment Properties		4,123,566,942	3,992,770,160
Deferred Tax Assets		457,772,400	447,020,544
Other Assets		4,362,103,813	4,330,136,845
		P276,250,874,430	P265,440,067,055
LIABILITIES AND EQUITY			
Deposit Liabilities			
Demand		P81,849,406,785	P63,961,971,799
Savings		104,335,589,276	125,100,493,087
Time		22,004,909,339	17,916,072,997
Long-term negotiable certificates		-	5,029,420,000
		208,189,905,400	212,007,957,883
Financial Liabilities at Fair Value through Profit or Loss	9	53,337,013	45,214,075
Bonds Payable	13	24,430,911,763	6,534,447,698
Manager's Checks		1,536,575,612	1,414,092,221
Accrued Interest, Taxes and Other Expenses		1,308,604,300	1,098,193,220
Other Liabilities		5,094,074,912	11,110,094,707
Total Liabilities		240,613,409,000	232,209,999,804
Equity			
Capital stock	14	18,196,805,900	18,196,805,900
Paid-in surplus	14	7,229,275,360	7,229,275,360
Surplus reserves		1,510,086,398	1,169,045,556
Retained earnings	14	9,055,639,898	7,501,642,690
Remeasurement losses on retirement liability		(331,673,141)	(331,673,141)
Net unrealized losses on financial assets at fair value through other comprehensive income	10	(21,698,298)	(534,761,685)
Share in other comprehensive loss of an associate		(5,027,374)	(5,028,412)
Cumulative translation adjustment		4,002,687	4,760,983
Total Equity		35,637,465,430	33,230,067,251
		P276,250,874,430	P265,440,067,055

See Notes to Interim Condensed Financial Statements.

BANK OF COMMERCE

UNAUDITED INTERIM CONDENSED STATEMENTS OF INCOME

		Nine Months Ended September 30		Quarter Ended September 30	
	Note	2025	2024	2025	2024
INTEREST INCOME					
Interest income calculated using the effective interest method:					
Loans and receivables	P7,985,433,078	P6,985,878,305	P2,747,040,901	P2,427,596,481	
Investment securities at fair value through other comprehensive income and at amortized cost	2,356,752,267	2,040,318,344	883,462,736	625,265,083	
Interbank loans receivable and securities purchased under resale agreements	408,253,234	426,891,900	138,555,427	99,523,388	
Due from Bangko Sentral ng Pilipinas and other banks	247,240,059	296,009,532	75,148,084	87,801,996	
Other interest income:					
Financial assets at fair value through profit or loss	209,403,848	71,768,535	79,602,403	43,214,368	
	11,207,082,486	9,820,866,616	3,923,809,551	3,283,401,316	
INTEREST EXPENSE					
Deposit liabilities	2,190,197,011	2,610,402,141	748,479,837	892,264,763	
Bonds payable	1,083,863,193	415,447,705	414,280,135	149,600,073	
Lease liabilities	31,065,426	28,278,696	10,307,791	9,999,545	
Bills payable and other borrowings	6,779,684	4,435,713	2,115,685	3,696,833	
	3,311,905,314	3,058,564,255	1,175,183,448	1,055,561,214	
NET INTEREST INCOME	7,895,177,172	6,762,302,361	2,748,626,103	2,227,840,102	
Service charges, fees and commissions	670,419,884	717,626,929	234,966,866	278,392,956	
Gains on foreclosure and sale of property and equipment and foreclosed assets - net	358,793,781	257,977,839	70,094,765	101,966,919	
Foreign exchange gains - net	192,487,115	91,288,846	89,004,020	30,366,265	
Trading and investment securities gains - net	112,879,466	134,748,979	74,635,401	146,895,029	
Miscellaneous	64,432,453	77,859,974	17,792,407	23,512,853	
TOTAL OPERATING INCOME	9,294,189,871	8,041,804,928	3,235,119,562	2,808,974,124	
Compensation and fringe benefits	2,284,963,435	1,931,461,723	809,791,521	669,098,312	
Taxes and licenses	850,239,837	828,914,360	256,785,486	276,482,345	
Rent and utilities	519,966,353	495,477,415	179,416,425	144,351,750	
Depreciation and amortization	492,923,393	455,665,898	171,579,373	160,369,647	
Service fees and commissions	302,267,049	297,709,484	108,876,666	122,261,193	
Insurance	299,934,216	275,767,586	99,554,936	93,691,365	
Subscription fees	171,835,445	150,470,262	58,280,156	52,620,076	
Provision for credit and impairment losses	122,999,003	199,503,177	113,811,024	97,681,569	
Amortization of software costs	102,899,377	62,799,986	37,186,282	28,961,502	
Management and professional fees	67,180,759	76,816,038	24,635,505	25,082,999	
Miscellaneous	390,263,895	380,030,931	133,715,031	127,845,494	
TOTAL OPERATING EXPENSES	5,605,472,762	5,154,616,860	1,993,632,405	1,798,446,252	
INCOME BEFORE SHARE IN NET LOSS OF AN ASSOCIATE AND INCOME TAX EXPENSE	3,688,717,109	2,887,188,068	1,241,487,157	1,010,527,872	
SHARE IN NET LOSS OF AN ASSOCIATE	239,792	428,035	(19,149)	14,786	
INCOME BEFORE INCOME TAX EXPENSE	3,688,477,317	2,886,760,033	1,241,506,306	1,010,513,086	
INCOME TAX EXPENSE	943,399,002	674,897,498	357,120,701	217,131,048	
NET INCOME	P2,745,078,315	P2,211,862,535	P884,385,605	P793,382,038	
Earnings Per Share Attributable to Equity Holders of the Bank					
	17				
Basic	P1.81	P1.45	P0.58	P0.52	
Diluted	1.51	1.22	0.49	0.44	

See Notes to Interim Condensed Financial Statements.

BANK OF COMMERCE
UNAUDITED INTERIM CONDENSED STATEMENTS OF COMPREHENSIVE
INCOME

	Nine Months Ended September 30		Quarter Ended September 30	
	2025	2024	2025	2024
NET INCOME	P2,745,078,315	P2,211,862,535	P884,385,605	P793,382,038
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may not be reclassified to profit or loss				
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)	(169,999)	15,104,000	(849,999)	-
Net change in remeasurement losses on retirement liability	-	(44,606,836)	-	(44,606,836)
	(169,999)	(29,502,836)	(849,999)	(44,606,836)
Items that may be reclassified to profit or loss				
Net change in fair value of debt securities at FVOCI	531,060,669	386,017,553	297,412,125	687,744,659
Net change in fair value of debt securities at FVOCI taken to profit or loss	(16,457,282)	-	(10,359,707)	-
Net movement in cumulative translation adjustment	(758,296)	(3,439,283)	4,804,201	(12,748,875)
Share in other comprehensive loss of an associate	1,038	(500,346)	201	1,339
	513,846,129	382,077,924	291,856,820	674,997,123
	513,676,130	352,575,088	291,006,821	630,390,287
TOTAL COMPREHENSIVE INCOME	P3,258,754,445	P2,564,437,623	P1,175,392,426	P1,423,772,325

See Notes to Interim Condensed Financial Statements.

BANK OF COMMERCE
UNAUDITED INTERIM CONDENSED STATEMENTS OF CHANGES IN EQUITY

		Capital Stock (Note 14)	Paid-in Surplus (Note 14)	Surplus Reserves	Retained Earnings (Note 14)	Net Unrealized Losses on Financial Assets at FVOCI (Note 10)	Remeasurement Losses on Retirement Liability	Cumulative Translation Adjustment	Share in Other Comprehensive Loss of an Associate	Total Equity
	Note									
Balance as at December 31, 2024		P18,196,805,900	P7,229,275,360	P1,169,045,556	P7,501,642,690	(P534,761,685)	(P331,673,141)	P4,760,983	(P5,028,412)	P33,230,067,251
Net income for the period		-	-	-	2,745,078,315	-	-	-	-	2,745,078,315
Other comprehensive income (loss) for the period:										
Items that may not be reclassified to profit or loss:										
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)		-	-	-	-	(169,999)	-	-	-	(169,999)
Net change in remeasurement losses on retirement liability		-	-	-	-	-	-	-	-	-
Items that may be reclassified to profit or loss:										
Net change in fair value of debt securities at FVOCI		-	-	-	-	531,060,669	-	-	-	531,060,669
Net change in fair value of debt securities at FVOCI taken to profit or loss		-	-	-	-	(16,457,282)	-	-	-	(16,457,282)
Net movement in cumulative translation adjustment		-	-	-	-	-	-	(758,296)	-	(758,296)
Share in other comprehensive loss of associate		-	-	-	-	-	-	-	1,038	1,038
Total comprehensive income for the period		-	-	-	2,745,078,315	514,433,388	-	(758,296)	1,038	3,258,754,445
Cash dividend declared	14	-	-	-	(851,356,266)	-	-	-	-	(851,356,266)
Transaction within equity:										
Transfer to surplus reserves		-	-	341,040,842	(341,040,842)	-	-	-	-	-
Transfer of gain on equity securities at FVOCI realized through disposal		-	-	-	1,370,001	(1,370,001)	-	-	-	-
		-	-	341,040,842	(1,191,027,107)	(1,370,001)	-	-	-	(851,356,266)
Balance as at September 30, 2025		P18,196,805,900	P7,229,275,360	P1,510,086,398	P9,055,693,898	(P21,698,298)	(P331,673,141)	P4,002,687	(P5,027,374)	P35,637,465,430

Forward

	Capital Stock	Paid-in Surplus	Surplus Reserves	Retained Earnings	Net Unrealized Losses on Financial Assets at FVOCI	Remeasurement Losses on Retirement Liability	Cumulative Translation Adjustment	Share in Other Comprehensive Loss of an Associate	Total Equity
Balance as at December 31, 2023	P18,196,805,900	P7,229,275,360	P1,095,004,461	P5,123,378,774	(P421,192,531)	(P365,718,897)	(P1,742,206)	(P4,537,968)	P30,851,272,893
Net income for the period	-	-	-	2,211,862,535	-	-	-	-	2,211,862,535
Other comprehensive income (loss) for the period:									
Items that may not be reclassified to profit or loss:									
Net change in remeasurement losses on retirement liability	-	-	-	-	-	(44,606,836)	-	-	(44,606,836)
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)	-	-	-	-	15,104,000	-	-	-	15,104,000
Items that may be reclassified to profit or loss:									
Net change in fair value of debt securities at FVOCI	-	-	-	-	386,017,553	-	-	-	386,017,553
Net movement in cumulative translation adjustment	-	-	-	-	-	-	(3,439,283)	-	(3,439,283)
Net change in fair value of debt securities at FVOCI taken to profit or loss	-	-	-	-	-	-	-	-	-
Share in other comprehensive loss of associate	-	-	-	-	-	-	-	(500,346)	(500,346)
Total comprehensive income for the period	-	-	-	2,211,862,535	401,121,553	(44,606,836)	(3,439,283)	(500,346)	2,564,437,623
Cash dividend declared	-	-	-	(654,937,099)	-	-	-	-	(654,937,099)
Transaction within equity:									
Transfer from surplus reserves	-	-	(11,591,085)	11,591,085	-	-	-	-	-
Transfer of gain on equity securities at FVOCI realized through disposal	-	-	-	6,903,000	(6,903,000)	-	-	-	-
	-	-	(11,591,085)	(636,443,014)	(6,903,000)	-	-	-	(654,937,099)
Balance as at September 30, 2024	P18,196,805,900	P7,229,275,360	P1,083,413,376	P6,698,798,295	(P26,973,978)	(P410,325,733)	(P5,181,489)	(P5,038,314)	P32,760,773,417

See Notes to Interim Condensed Financial Statements.

BANK OF COMMERCE
UNAUDITED INTERIM CONDENSED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax expense	P3,688,477,317	P2,886,760,033
Adjustments for:		
Interest expense on bonds payable	1,083,863,193	415,447,705
Depreciation and amortization	492,923,393	455,665,898
Gain on foreclosure and sale of property and equipment and foreclosed assets - net	(358,793,781)	(257,977,839)
Provision for credit and impairment losses	122,999,003	199,503,177
Amortization of software costs	102,899,377	62,799,986
Unrealized gain on financial assets and liabilities at fair value through profit or loss (FVPL)	(77,834,774)	(125,533,661)
Interest expense on lease liabilities	31,065,426	28,278,696
Gain on sale of financial assets at fair value through other comprehensive income (FVOCI)	(16,457,282)	-
Share in net loss of associate	239,792	428,035
Miscellaneous income	(96,521)	(128,563)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Interbank loans receivables	138,551,738	(134,204,406)
Financial assets at FVPL	(2,012,977,529)	(3,699,991,465)
Loans and receivables	(14,193,678,442)	(16,801,938,861)
Other assets	54,593,749	(633,232,733)
Increase (decrease) in:		
Deposit liabilities	(3,818,052,483)	2,655,104,781
Manager's checks	122,483,391	(421,373,090)
Accrued interest, taxes and other expenses	(11,543,100)	(212,479,207)
Other liabilities	(5,970,078,510)	369,051,411
Net cash absorbed by operations	(20,621,416,043)	(15,213,820,103)
Income taxes paid	(853,951,089)	(632,438,839)
Net cash used in operating activities	(21,475,367,132)	(15,846,258,942)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale or redemption of:		
Investment securities at amortized cost	232,341,110,532	86,360,000,000
Financial assets at FVOCI	3,579,824,518	-
Investment properties	481,888,923	139,505,328
Property and equipment	36,518,384	34,779,192
Additions to:		
Investment securities at amortized cost	(240,451,512,474)	(72,057,430,190)
Financial assets at FVOCI	(15,148,553,712)	(6,041,736,876)
Property and equipment	(243,360,456)	(395,477,382)
Software costs	(164,916,023)	(132,937,764)
Investment properties	(35,765,192)	(5,305,544)
Net cash provided by (used in) investing activities	(19,604,765,500)	7,901,396,764

Forward

Nine Months Ended September 30		
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of bonds payable	P17,831,211,213	P6,510,558,574
Payment of interest on bonds	(901,394,870)	(388,035,054)
Payment of cash dividends	(851,356,266)	(654,937,099)
Payment of lease liability	(194,136,528)	(182,441,275)
Settlement of bonds payable	-	(7,500,000,000)
Net cash provided by (used in) financing activities	15,884,323,549	(2,214,854,854)
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS		
	(758,882)	(3,441,876)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(25,196,567,965)	(10,163,158,908)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	4,244,123,801	3,500,645,345
Due from Bangko Sentral ng Pilipinas	47,919,926,114	24,275,195,629
Due from other banks	3,819,900,855	1,055,497,093
Interbank loans receivable and securities purchased under resale agreements	3,449,297,350	20,114,496,080
	59,433,248,120	48,945,834,147
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	3,202,992,645	3,973,329,786
Due from Bangko Sentral ng Pilipinas	11,727,788,146	26,679,927,869
Due from other banks	1,929,519,754	2,666,736,483
Interbank loans receivable and securities purchased under resale agreements	17,376,379,610	5,462,681,101
	P34,236,680,155	P38,782,675,239
CASH FLOWS FROM INTEREST AND DIVIDENDS		
Operating Activities		
Interest received	P11,041,970,729	P9,845,317,122
Interest paid	2,315,027,014	2,702,630,317
Dividends received	2,661,396	2,616,371
Financing Activities		
Interest paid	P932,460,295	P416,313,749
Dividends paid	851,356,266	654,937,099

See Notes to Interim Condensed Financial Statements.

BANK OF COMMERCE
NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

1. Reporting Entity

Bank of Commerce (the Bank) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on December 16, 1963. The Bank's shares were listed with the Philippine Stock Exchange, Inc. (PSE) on March 31, 2022, as approved by the SEC on February 15, 2022. The Bangko Sentral ng Pilipinas (BSP) approved the upgrade of the Bank's banking license from commercial bank to universal bank on December 23, 2021. On August 11, 2022, the SEC approved the application of the Bank to act as underwriter of securities engaged in dealing government securities. On October 24, 2022, the Bank received from the BSP the Certificate of Authority to Operate as a Universal Bank dated October 4, 2022. On November 2, 2022, the Bank officially started operations as a universal bank.

The Bank provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services. The Bank's principal place of business is at San Miguel Properties Centre, No.7 St. Francis Street, Mandaluyong City. The Bank has a total of 140 branches nationwide, including the Head Office, as at September 30, 2025 and December 31, 2024.

San Miguel Properties, Inc. (SMPI) and San Miguel Corporation Retirement Plan (SMCRP) hold 31.91% and 30.84% ownership of the Bank's issued common shares, respectively, as at September 30, 2025 and December 31, 2024. Each of these shareholders has significant influence over the Bank. SMC Equivest Corporation holds 100% ownership of the Bank's issued non-voting preferred shares as at September 30, 2025 and December 31, 2024.

The Bank's original authority for its banking license was approved under Monetary Board (MB) Resolution No. 1045 dated October 4, 1963 as The Overseas Bank of Manila. The Bank received its Foreign Currency Deposit Unit (the "FCDU") license and launched its FCDU operations on September 23, 1983. The Bank received its Expanded FCDU license on March 10, 2010. The Bank was renamed Commercial Bank of Manila, Inc. on October 20, 1980, further renamed Boston Bank of the Philippines on July 27, 1988, and finally, Bank of Commerce on November 28, 1991.

Under Section 11, Corporate Term of the Revised Corporation Code issued on February 23, 2019, a corporation shall have perpetual existence unless its articles of incorporation provides otherwise. On January 30, 2020, the Board of Directors (BOD) approved the Amended Articles of Incorporation to reflect that the Bank's term of existence shall be perpetual. The said amendment was approved by the SEC on June 9, 2020.

2. Basis of Preparation

Statement of Compliance

The interim condensed financial statements of the Bank have been prepared in compliance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended December 31, 2024 (last annual audited financial statements). They do not include all information required for a complete set of financial statements that is compliant with Philippine Financial Reporting Standards (PFRS) Accounting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual audited financial statements.

Basis of Measurement

The financial statements of the Bank have been prepared on a historical cost basis, except for the following items:

Items	Measurement Bases
Financial assets and liabilities at fair value through profit or loss (FVPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Lease liability	Present value of remaining lease payments, discounted using the Bank's incremental borrowing rate
Net retirement liability	Present value of the defined benefit obligation less fair value of plan assets

Functional and Presentation Currency

The interim condensed financial statements include accounts maintained in the Regular Banking Unit (the "RBU") and the FCDU. The functional currency of the RBU and the FCDU is Philippine Peso (PHP) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated to their equivalents in PHP. The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

All values are rounded to the nearest peso unless otherwise stated.

Presentation of Financial Statements

The Bank presents its interim condensed statements of financial position broadly in the order of liquidity.

3. Material Accounting Policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those applied in the Bank's last annual audited financial statements as at and for the year ended December 31, 2024, except for the adoption of the following amended standard, which became effective beginning January 1, 2025. Unless otherwise indicated, the adoption of this amended standard did not have an impact on the interim condensed financial statements of the Bank. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- *Lack of Exchangeability, Amendment to PAS 21, The Effects of Changes in Foreign Exchange Rates*

4. Critical Judgments and Estimates

The preparation of financial statements in conformity with PFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses, and disclosures of contingent assets and contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant accounting judgments and estimates of the Bank were the same as those disclosed in the last annual audited financial statements as at and for the year ended December 31, 2024.

5. Financial Risk Management Objectives and Policies

Compared with the December 31, 2024 audited financial statements of the Bank, there have been no changes in the financial risk exposures that materially affect the interim condensed financial statements of the Bank as at September 30, 2025. The Bank has exposures to the following risks from its use of financial instruments: (a) credit; (b) interests rate risk in the banking book; (c) liquidity; and (d) market risks. Related discussions below should be read in conjunction with Note 5, Financial Risk Management Objectives and Policies of the Bank's 2024 audited financial statements.

Risk Management Structure

The BOD is ultimately responsible for identifying and controlling risks. Supporting the BOD in this function are certain Board-level committees such as Board Risk Oversight Committee (BROC), Executive Committee, Corporate Governance Committee, Related Party Transactions Committee (RPTCom), Audit Committee and management committees and independent units such as Senior Executive Team (SET), Asset Liability Management Committee (ALCO), Credit and Collections Committee (Crecom), Internal Capital Adequacy Assessment Process (ICAAP) Steering Committee, Internal Audit Division, Legal Services Division, Compliance Division and Risk Management Division (RSK). They are responsible for managing and monitoring financial risk.

Risk Measurement and Reporting Systems

The Bank's capital adequacy is determined by measuring credit, market and operational risk exposures using standardized or basic approaches as suggested by BSP. Risk exposures are measured both individually and in aggregate amounts.

Risk measurements are done by respective risk-taking personnel and groups but are independently validated, analyzed and reported by the RSK.

Market risks are measured by mark-to-market and Value-at-Risk (VAR) analyses on the overall exposure, on a portfolio level, and on each individual financial instrument. These exposures are also subjected to stress testing using a variety of historical and hypothetical scenarios.

Quality of credit risks are measured via risk classifications of accounts using ICRRS together with BSP risk classification of borrowing accounts. The Bank's front office recommends the credit risk rating of borrowing accounts and classifications and allowance for losses including changes thereon, when necessary. All risk information is processed, analyzed and consolidated for proper reporting to the BOD through the BROOC and Audit Committee, as well as the SET and various management committees of the Bank.

Actual and estimated risk exposures/losses at Treasury, Corporate, Consumer Business and Credit Cards, Operations and Information Technology, Trust and Branches are consolidated for regular reporting. Reports include, among others, portfolio mix, liquidity and maturity matching, interest rate matching, trading gains and losses, sensitivity and back-testing results, top borrowers, non-performing assets and loans, industry exposures, large exposures, fines and penalties, employee fraud cases, service level of major information technology systems and automated teller machines.

Risk Mitigation

To mitigate market risk exposures, other financial instruments are used to manage exposures resulting from changes in foreign currency and interest rate risk. The Bank also observes limits on positions, losses, and market sensitivities to contain these risk exposures.

The Bank maintains a capital adequacy ratio (CAR) of ten percent (10.0%) or better at all times, for regulatory compliance purposes.

Risk Concentration

The Bank manages loan concentration by controlling its mix of counterparties or borrowers in accordance with conditions permitted by regulators. Borrowers that are considered large in size are regularly monitored and reported to the BROOC. Also, the limits for exposure on specific economic activity groups are in place allowing the Bank to maintain a strategic breakdown of credit risk of the different segments. Having these controls in place allows the Bank to proactively monitor exposure status and act upon limit breaches whenever necessary.

Credit Risk

The Bank considers credit risk as the possibility of loss arising from the counterparty's or customer's inability or unwillingness to settle his/her obligations on time or in full as expected or previously contracted.

The Bank has in place a credit policy manual that defines all practices, policies and procedures regarding loan activities from identification of target markets, credit initiation, documentation and disbursement, loan administration, remedial management, and loan unit organization and staffing. Also, it has in place credit

approval authorities and respective limits duly approved by the BOD.

The Bank's primary element of credit risk management is the detailed risk assessment of every credit exposure associated with the counterparty. Risk assessment procedures consider both the creditworthiness of the counterparty and the risks related to the specific type of underlying credit exposures as mandated by the circulars issued by BSP. The risk assessment not only affects the structuring of the transaction and the outcome of the credit decision, but also influences the monitoring procedure applied to the ongoing exposures.

Liquidity Risk and Funding Management

Liquidity risk is the risk to the Bank's earnings and capital arising from its inability to meet funding requirements in a timely manner. To measure and monitor this risk, the Bank generates a report on future cash flows and liquidity on a daily basis. To ensure sufficient liquidity, the Bank has a set of internal limits incorporated in its annual budget that allocates a portion of its liabilities into cash, investment securities and other liquid assets. Concentration on a single funding source is also regularly monitored to control the Bank's reliance on a specific product or counterparty.

The Bank has available credit lines from various counterparties that it can utilize to meet sudden liquidity demands. It also maintains a portfolio of high quality liquid assets (HQLA) that can be converted to cash in a short period of time and with minimal loss incurred. This ensures compliance with Liquidity Coverage Ratio (LCR) as required by Basel III regulations. LCR checks if there is sufficient HQLA to offset short-term net outflows or short-term obligations under stressed conditions. The Bank also expands its sources of stable funds in order to support asset growth and meet the Net Stable Funding Ratio (NSFR) regulatory limit. NSFR ensures that the Bank is not overly reliant on short-term funding in funding its long-term assets. The Bank's liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating both to the market in general and to events specific to the Bank. A contingency funding plan, which covers quantitative and procedural measures, is in place and may be applied under different stress scenarios.

The Bank also manages its liquidity position through the monitoring of a Maximum Cumulative Outflow against a Board-approved limit. This process measures and estimates projected funding requirements that the Bank will need at specific time horizons.

Interest Rate Risk in the Banking Book

The loans provided by the Bank to its borrowers are mostly funded by the deposits of its branch and corporate customers. The difference in the interest revenues from loans and the interest expense in servicing deposits provide the bulk of the Bank's Net Interest Income (NII). Aside from loans, interest revenue is also generated from holdings in debt securities, repurchase agreements (repo), and other interest-bearing assets. Occasionally, the Bank taps interbank loans and other sources of funding to supplement deposits, which are subject to additional interest expense.

The Bank utilizes Funds Transfer Pricing (FTP) as a mechanism to charge the asset businesses for funding (e.g., term loans, housing loans) and to compensate fund raisers (e.g., branch deposits). FTP helps units evaluate profitability and calculate returns upon deal origination. Furthermore, the FTP framework insulates them from interest rate risk. The Central Funding Unit (CFU), under the Treasury Management Group, manages the Bank's overall IRRBB. CFU is the first line of defense for both IRRBB and Liquidity Risk. While the Bank does not have intentions to hedge IRRBB via interest rate swaps in the short-term, it actively manages IRRBB by growing its sources of stable funds to match long-term assets.

The FTP policy is properly documented and is transparent to all parties. The FTP interest rates are anchored by widely-used and market-driven benchmark rates such as BVAL and BSP interest rate corridor rates for Peso; USD Secured Overnight Financing Rates and USD-denominated bonds issued by the Philippines for USD. Trends, forecasts, and adjustments to the FTP are discussed and approved in the regular ALCO meeting.

The NII, and ultimately earnings and capital, is vulnerable to adverse fluctuations in interest rates. The Bank also measures the sensitivity of its assets and liabilities to interest rate fluctuations by way of asset-liability gap analysis on a monthly basis. This analysis focuses on the repricing profile of its rate sensitive assets and liabilities, and the impact of interest rate movements on the Bank's accrual earnings. The interest rate repricing gap report assigns all assets and liabilities into various time buckets according to the remaining days to maturity for fixed-rate items, remaining days to next re-pricing for floating-rate items, or based on behavioral assumptions, if more applicable.

The difference between the total of the repricing (interest rate-sensitive) assets and repricing (interest rate-sensitive) liabilities gives an indication of the Bank's repricing risk exposure. A positive gap means more assets mature or have to be repriced than liabilities. In this case, the Bank is said to be "asset sensitive" in that time bucket and it benefits from an increase of interest rates as the assets will be repriced faster than liabilities.

A bank with a negative gap is considered "liability sensitive" since it has more liabilities to be repriced during such period than assets. It is negatively affected by a hike in interest rates. An example would be a bank that uses short-term deposits to fund long-term loans at fixed rates. It may encounter a decline in its net interest income if the interest rates increase since the cost of funds (the deposit rates) will increase while the earnings from loans remain fixed.

RSK monitors the mismatches in the repricing of its assets and liabilities through the interest rate gap reports presented to ALCO and BROCC on a monthly basis. To ensure that the Bank's net interest income is preserved, the Bank has set a limit for the maximum repricing gap, either positive or negative, for tenors up to 1 year. These limits are reviewed annually and form part of the Bank's risk appetite statements.

Non-maturing fixed-rate deposits or current-savings accounts (CASA) are split into three classifications: 1) stable and core deposits; 2) stable-but-non-core deposits and; 3) non-stable deposits. The volatile or non-stable portion of the non-maturing deposits/CASA is slotted in the shortest time-bucket (i.e., less than one month). Stable-but-non-core portion is slotted based on an assumed repricing approximation. Stable-and-core portion is slotted in the 3 to 5-year bucket. The IRRBB model captures the possibility of borrowers prepaying their loans and time deposit customers pre-terminating their investments. The interest rate scenario of the model simulates the impact of interest rate movements on existing loans and deposits. More (less) prepayment is expected if interest rates decline (increase), while more (less) pre-termination is expected if interest rates increase (decline).

Earnings at risk is simulated on a monthly basis and subject to a limit approved by the Board. The report is also accompanied by stress testing with scenarios such as: 1) standard parallel yield curve shifts; 2) BSP-prescribed yield curve shifts; 3) steepening and inversion of the curves; and 4) timing mismatch in assets and liabilities repricing. Internal Audit conducts a regular validation of the IRRBB models and parameters in addition to the risk-based full scope audit of RSK, which includes a review and evaluation of the processes and controls, including governance and risk management activities.

Market Risk

Market risk arises from the potential decline in earnings and capital due to adverse changes in market conditions and the underlying risk factors, which in turn affect the value and future cash flows of financial instruments, products, and transactions. The Bank is primarily exposed to two sources of market risk, namely: 1) market price risk in the trading book; and 2) foreign exchange risk from open foreign currency exposures. The Bank also has equity-related holdings which is a source of equity price risk, although deemed as minimal compared to the first two.

Market Price Risk in the Trading Book

The market price of financial instruments and transactions in the trading book may change unfavorably as a result of movements in interest rates, foreign exchange rates, credit spreads, and other risk factors. The Bank employs an internally developed VAR model, along with other sensitivity metrics, to measure and monitor the probable deterioration in the market value of its trading portfolio. The Bank's RSK simulates the trading book's VAR on a daily basis and the results are compared against Board-approved limits. In addition to the limit on VAR, the trading portfolio is also subject to limits on aggregate exposures, sensitivity metrics, monthly and yearly losses.

Value-at-Risk Methodology

VAR serves as the Bank's key metric in the measurement of risk arising from market price changes of financial assets and foreign currency exposures. Given data for the market risk factors over a 1-year period (260 business days), VAR is the maximum probable loss that may be incurred from positions exposed to market risk. The maximum probable loss is calculated from simulations of daily profit and losses assuming that historical movements in market risk factors will recur, subject to a 99% confidence level and a 1-day holding period.

The Bank's VAR methodology is based on the widely used historical simulation method but with a modification on the usual assumption of equal probabilities in the simulation data points. Profit and loss simulations derived from older data are given less importance by assigning them with progressively lower probabilities of occurrence when used in the calculation of the maximum probable loss.

Currency Risk

The Bank's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Bank believes that its profile of foreign currency exposure based on its assets and liabilities is within conservative limits for a financial institution engaged in a type of business similar to that of the Bank.

Foreign currency deposits are generally used to fund the foreign currency-denominated loan and investment portfolios in the FCDU. Banks are required by BSP to match the foreign currency liabilities held in the FCDU with foreign currency assets. In addition, BSP requires a 30.0% liquidity reserve on all foreign currency liabilities held in the FCDU.

Similar to market price risk in the trading book, the Bank employs limits and a VAR model to manage the risk that possible interest or currency movements pose. Such limits are prudently set, and the position status is monitored on a daily basis.

Equity Price Risk

Given the nature and amount of the Bank's equity investments portfolio for the nine months ended September 30, 2025 and year ended December 31, 2024, management believes the Bank's exposure to equity price risk is considered minimal.

6. Categories and Fair Value Measurement

The methods and assumptions used by the Bank in estimating the fair values of financial and non-financial assets and liabilities are as follows:

Cash and Other Cash Items, Due from BSP and Other Banks and Interbank Loans Receivable and Securities Purchased under Resale Agreements (SPURA) - Fair values approximate carrying amounts given the short-term nature of the instruments.

Debt Securities (Financial Assets at FVPL, Financial Assets at FVOCI, and Investment Securities at Amortized Cost) - Fair values are generally based on quoted market prices. If 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 discounted cash flow methodology.

Equity Securities (Financial Assets at FVOCI) - Fair values are determined based on market prices quoted in an established exchange, or on published quotes by accredited brokers.

Derivative Instruments (Financial Assets and Financial Liabilities at FVPL) - Fair values are determined based on published quotes or price valuations provided by counterparties or calculations using market-accepted valuation techniques.

Loans and Receivables - The estimated fair values of long-term receivables from customers and sales contract receivables are equal to the estimated future cash flows expected to be received which are discounted using current market rates (i.e., BVAL and USD Secured Overnight Financing Rates). Fair value of short-term receivable from customers, sales contract receivables, accounts receivables, accrued interest receivables, and returned checks and other cash items (RCOCI) approximates carrying amounts given the short-term nature of the accounts.

Investment Properties - Fair value is determined based on valuations performed by external and in-house appraisers using the market data approach. Valuations are derived on the basis of recent sales of similar properties in the same area as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. Significant unobservable inputs in determining the fair values include the following:

Location	Location of comparative properties whether on a main road or secondary road. Road width could also be a consideration if data is available. As a rule, properties along a main road are superior to properties along a secondary road.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable confirms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Time Element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time, in which case, the current date is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

Deposit Liabilities - Fair values of long-term time deposits are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current market rate (i.e., BVAL and USD Secured Overnight Financing Rates) and with maturities consistent with those remaining for the liability being valued. Carrying amounts of short-term time deposits approximate fair value. For demand and savings deposits, carrying amounts approximate fair values considering that these are currently due and demandable.

Bonds and Bills Payable - For long-term bonds and bills payable, fair values are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current market rate (i.e., BVAL and USD Secured Overnight Financing Rates) and with maturities consistent with those remaining for the liability being valued. Carrying amounts of short-term bonds and bills payable approximate fair value.

Manager's Checks, Accrued Interest and Other Expenses and Other Liabilities (excluding non-financial liabilities) - Carrying amounts approximate fair values due to the short-term nature of the accounts. Due to preferred shareholders is determined to be long term in nature due to a pending dispute which affects maturity. Fair value cannot be estimated reliably due to lack of supportable data available.

The following table provides the fair value hierarchy of the Bank's assets and liabilities measured at fair value and those for which fair values should be disclosed (amounts in thousands):

	September 30, 2025 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL:					
Government securities held for trading	P4,884,990	P4,479,567	P405,423	P -	P4,884,990
Derivative assets	89,579	-	89,579	-	89,579
Private debt securities	-	-	-	-	-
Financial assets at FVOCI:					
Government securities	31,139,609	20,423,539	10,716,070	-	31,139,609
Equity securities	42,357	500	-	41,857	42,357
	P36,156,535	P24,903,606	P11,211,072	P41,857	P36,156,535
Liabilities Measured at Fair Value					
Financial Liabilities					
Derivative liabilities	P53,337	P -	P53,337	P -	P53,337
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost:					
Government securities	P42,837,630	P28,370,482	P14,242,256	P -	P42,612,738
Private debt securities	1,883,592	1,062,545	727,071	-	1,789,616
Loans and receivables:					
Receivables from customers	147,697,166	-	-	150,076,825	150,076,825
Less unearned interest	81,074	-	-	81,074	81,074
	147,616,092	-	-	149,995,751	149,995,751
Sales contract receivables	242,699	-	-	253,995	253,995
	192,580,013	29,433,027	14,969,327	150,249,746	194,652,100
Non-financial Assets					
Investment properties	4,123,567	-	-	11,079,763	11,079,763
	P196,703,580	P29,433,027	P14,969,327	P161,329,509	P205,731,863
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Time	P22,004,909	P -	P21,994,245	P -	P21,994,245
Long-term negotiable certificates	-	-	-	-	-
Bonds payable	24,430,912	-	24,593,439	-	24,593,439
	P46,435,821	P -	P46,587,684	P -	P46,587,684

	December 31, 2024 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL:					
Government securities held for trading	P2,782,361	P2,240,777	P541,584	P -	P2,782,361
Derivative assets	63,717	-	63,717	-	63,717
Private debt securities	29,556	-	-	29,556	29,556
Financial assets at FVOCI:					
Government securities	19,036,827	4,092,577	14,944,250	-	19,036,827
Equity securities	41,807	2,400	-	39,407	41,807
	P21,954,268	P6,335,754	P15,549,551	P68,963	P21,954,268
Liabilities Measured at Fair Value					
Financial Liabilities					
Derivative liabilities	P45,214	P -	P45,214	P -	P45,214
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost:					
Government securities	P34,461,471	P6,544,301	P26,949,415	P -	P33,493,716
Private debt securities	2,150,197	265,575	1,715,331	-	1,980,906
Loans and receivables:					
Receivables from customers	133,829,158	-	-	136,682,790	136,682,790
Less unearned interest	67,358	-	-	67,358	67,358
	133,761,800	-	-	136,615,432	136,615,432
Sales contract receivables	278,434	-	-	291,899	291,899
	170,651,902	6,809,876	28,664,746	136,907,331	172,381,953
Non-financial Assets					
Investment properties	3,992,770	-	-	10,656,631	10,656,631
	P174,644,672	P6,809,876	P28,664,746	P147,563,962	P183,038,584
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities:					
Time	P17,916,073	P -	P17,898,536	P -	P17,898,536
Long-term negotiable certificates	5,029,420	-	5,029,420	-	5,029,420
Bonds payable	6,534,448	-	6,569,750	-	6,569,750
	P29,479,941	P -	P29,497,706	P -	P29,497,706

In 2025 and 2024, due to changes in market conditions for certain government securities measured at FVPL and FVOCI, quoted prices in active markets were not available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities at FVPL and FVOCI, with carrying amounts of P59.0 million and P119.2 million, respectively, in 2025 and P0.5 million and P4.8 billion, respectively, in 2024 were transferred from Level 1 to Level 2 of the fair value hierarchy.

In 2025 and 2024, securities at FVPL and FVOCI, with carrying amounts of P64.7 million and P7.4 billion, respectively, and P141.6 million and P56.6 million, respectively, were transferred from Level 2 to Level 1 of the fair value hierarchy since quoted prices in active markets were already available.

In 2025 and 2024, there have been no transfers into and out of Level 3 of the fair value hierarchy.

The carrying values of financial assets and liabilities not included in the fair value hierarchy table shown above approximate their respective fair values as at September 30, 2025 and December 31, 2024.

7. Segment Reporting

The Bank's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to SET who is responsible for allocating resources to the segments and assessing their performance. Segment performance is evaluated based on net income before provision/reversal of credit and impairment losses, share in net loss of an associate and income tax expense. The Bank's business segments follow:

Treasury Management Group - principally provides money market, trading and treasury services, as well as management of the Bank's funding operations by use of treasury bills, government securities and placements and acceptances with other banks.

Corporate Banking Group - principally handles loans and other credit facilities for corporate institutional, and middle market clients.

Branch Banking Group - principally supervises customers' deposits and offers standard customer transactional services through the branch network.

Consumer Group - principally manages home, automobile, and salary loans for individual customers.

Others - includes but not limited to Investment Banking, Credit Cards, Transaction Banking, Trust, and Acquired Assets. Other operations of the Bank also include operations and financial control groups.

Segment assets and liabilities comprise operating assets and liabilities, including borrowings. Revenues and expenses that are directly attributable to a particular business segment and the relevant portions of the Bank's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment. Transactions between the business segments are carried out at arm's length. The Bank uses an Internal Funds Transfer Pricing rate to allocate the cost of funds or to recognize internal revenue for deposit takers. The Bank has no significant customers which contributes 10.00% or more of the Bank's revenue net of interest expense. Internal charges and transfer pricing adjustments have been reflected in the performance of each business.

The segment information of the Bank for the nine months ended September 30, 2025 and 2024 for statement of income items, and as at September 30, 2025 and December 31, 2024 for statement of financial position items follow (amounts in millions):

September 30, 2025 (Unaudited)						
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Income						
Net interest income:						
Third party	P2,010	P6,773	(P2,122)	P997	P237	P7,895
Intersegment	(1,768)	(5,557)	6,720	(771)	1,376	-
Net interest income	242	1,216	4,598	226	1,613	7,895
Non-interest income	307	40	54	42	946	1,399
Total revenues	549	1,256	4,652	268	2,569	9,294
Other expenses	275	354	1,753	154	2,947	5,483
Income (losses) before provision for credit losses and income tax expense	P274	P902	P2,899	P114	(P378)	P3,811
Provision for credit and impairment losses						P123
Share in net loss of an associate						-
Income tax expense						943
Net income						P2,745
Other Segment Information						
Capital expenditures	P6	P1	P54	P4	P130	P195
Depreciation and amortization	P4	P4	P72	P6	P407	P493

September 30, 2025 (Unaudited)						
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Financial Position						
Total assets	P97,407	P131,696	P18,447	P18,318	P10,382	P276,250
Total liabilities	29,965	190	205,856	134	4,468	240,613

September 30, 2024 (Unaudited)						
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Income						
Net interest income:						
Third party	P2,284	P5,985	(P2,428)	P802	P119	P6,762
Intersegment	(1,821)	(5,010)	6,315	(596)	1,112	-
Net interest income	463	975	3,887	206	1,231	6,762
Non-interest income	223	36	63	45	913	1,280
Total revenues	686	1,011	3,950	251	2,144	8,042
Other expenses	239	295	1,667	136	2,618	4,955
Income (losses) before provision for credit losses and income tax expense	P447	P716	P2,283	P115	(P474)	P3,087
Reversal of credit and impairment losses						P200
Share in net loss of an associate						-
Income tax expense						675
Net income						P2,212
Other Segment Information						
Capital expenditures	P3	P3	P54	P6	P279	P345
Depreciation and amortization	P3	P3	P64	P6	P380	P456

December 31, 2024 (Audited)						
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Financial Position						
Total assets	P96,833	P121,696	P21,561	P15,249	P10,101	P265,440
Total liabilities	9,284	353	211,233	160	11,180	232,210

Non-Interest income consists of trading and investment securities gains, service charges, fees and commissions, foreign exchange gains, gain on foreclosure, and sale of property and equipment and foreclosed assets and miscellaneous income.

Other expenses consist of compensation and fringe benefits, taxes and licenses, rent and utilities, depreciation and amortization, insurance, service fees and commissions, subscription fees, management and professional fees, amortization of software costs, and miscellaneous expense.

8. Interbank Loans Receivable and Securities Purchased under Resale Agreements

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
SPURA	P12,000,000,000	P -
Interbank loans receivable	5,376,379,610	3,587,849,088
	17,376,379,610	3,587,849,088
Less allowance for credit losses	2,345,812	484,360
	P17,374,033,798	P3,587,364,728

SPURA represents overnight lending placements with the BSP where the underlying securities cannot be sold or re-pledged to parties other than the BSP.

Interbank loans receivable consists of short-term loans granted to other banks.

9. Financial Assets and Liabilities at Fair Value through Profit or Loss

Financial assets at FVPL consist of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government securities held-for-trading	P4,884,990,234	P2,782,360,563
Derivative assets	89,578,801	63,717,369
Private debt securities	-	29,555,862
	P4,974,569,035	P2,875,633,794

As at September 30, 2025 and December 31, 2024, financial assets and liabilities at FVPL are adjusted for unrealized gain of P77.8 million and unrealized loss of P1.0 million, respectively.

Derivative Financial Instruments

This includes warrants amounting to \$0.05 million acquired by the Bank in June 2008. The warrants give the Bank the option or right to exchange its holding of certain Republic of the Philippines Global Bonds into peso-denominated government securities upon occurrence of a predetermined credit event. The warrants will mature in November 2032.

Forward swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future. As at September 30, 2025, these pertain to ten contracts with notional amount of \$5.0 million each and six contracts with notional amount of \$10.0 million each. The Bank has 13 contracts with notional amount of \$5 million each and three contracts with notional amount of \$10.0 million each as at December 31, 2024.

The table below shows the fair values of derivative financial instruments entered into by the Bank, recorded as derivative assets or derivative liabilities, together with the notional amount. The notional amount is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amount indicates the volume of transactions outstanding as at September 30, 2025 and December 31, 2024 and is not indicative of either market risk or credit risk.

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Derivative Assets	Notional Amount	Derivative Assets	Notional Amount
Freestanding derivatives:				
Forwards	P60,389,864	\$65,000,000	P34,794,869	\$50,000,000
Warrants	29,098,000	50,000	28,922,500	50,000
Bonds	90,937	2,000,000	-	-
	P89,578,801	\$67,050,000	P63,717,369	\$50,050,000

	September 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Derivative Liabilities	Notional Amount	Derivative Liabilities	Notional Amount
Freestanding derivatives:				
Forwards	P52,627,755	\$45,000,000	P45,214,075	\$45,000,000
Bond futures	709,258	4,000,000	-	-
	P53,337,013	\$49,000,000	P45,214,075	\$45,000,000

10. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government securities	P31,139,609,107	P19,036,826,434
Equity securities	42,356,872	41,807,401
	P31,181,965,979	P19,078,633,835

As at September 30, 2025 and December 31, 2024, the expected credit loss (ECL) allowance on debt securities at FVOCI included under "Net unrealized losses on financial assets at FVOCI" amounted to P2.8 million and P1.9 million, respectively.

Net Unrealized Losses on Financial Assets at FVOCI

The movements of net unrealized gains (losses) on financial assets at FVOCI follow:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of year	(P534,761,685)	(P421,192,531)
Net unrealized gains (losses) recognized as OCI	534,602,465	(29,535,641)
Realized gains taken to profit or loss	(16,457,282)	(1,623,076)
Effect of tax	(4,623,725)	(946,234)
ECL on debt securities at FVOCI	911,930	838,797
Net change in unrealized gains (losses) recorded in OCI	514,433,388	(31,266,154)
Realized gains taken to retained earnings	(1,370,001)	(82,303,000)
Balance at end of period	(P21,698,298)	(P534,761,685)

11. Investment Securities at Amortized Cost

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Government securities	P42,842,536,155	P34,465,484,615
Private debt securities	1,883,798,586	2,150,432,619
	44,726,334,741	36,615,917,234
Less allowance for credit losses	5,112,449	4,248,853
	P44,721,222,292	P36,611,668,381

No investment securities at amortized cost were sold in 2025 and 2024.

12. Loans and Receivables

This account consists of:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivables from customers:		
Term loans	P114,326,403,056	P102,819,507,055
Agri-agra loans	12,875,772,871	13,757,055,407
Housing loans	11,569,688,547	9,564,719,568
Auto loans	6,062,413,033	5,079,022,446
Bills purchased, import bills and trust receipts	1,323,732,329	1,227,464,415
Direct advances	351,430,082	364,009,899
Others	2,941,434,086	2,668,785,562
	149,450,874,004	135,480,564,352
Less unearned interest income	81,074,424	67,358,184
	149,369,799,580	135,413,206,168
Accrued interest receivable:		
Loans and receivables	1,203,905,355	1,065,846,459
Trading and investment securities	824,196,187	665,093,026
Interbank loans receivable and SPURA	1,776,787	2,181,497
Due from BSP and other banks	-	20,766,667
Accounts receivable	1,168,009,898	1,573,836,315
Sales contract receivables	298,763,793	334,864,748
Unquoted debt securities	291,578,218	291,578,217
RCOCI	10,847,884	5,152,412
	153,168,877,702	139,372,525,509
Less allowance for credit losses	2,989,937,557	2,867,185,128
	P150,178,940,145	P136,505,340,381

Bills purchased, import bills and trust receipts include bills purchased with contra account in "Bills purchased - contra" under "Other Liabilities" in the statements of financial position amounting to P1.3 billion and P0.8 billion as at September 30, 2025 and December 31, 2024, respectively.

As at September 30, 2025 and December 31, 2024, the non-performing loans of the Bank amounted to P2.20 billion and P1.69 billion, respectively. Gross and net NPL ratios of the Bank are 1.34% and 0.55%, respectively, as at September 30, 2025 and 1.25% and 0.49%, respectively, as at December 31, 2024.

13. Bonds Payable

On February 19, 2025, the dual-tranche fixed rate bonds due 2027 (Series C Bonds) and fixed rate bonds due 2030 (Series D Bonds), which were issued as the third tranche of the Bank's increased P50.0 billion Peso Bond Programme, were listed on the Philippine Dealing and Exchange Corporation. Series C Bonds and Series D Bonds, with face value of P10.0 billion and P8.0 billion, respectively, are due on February 19, 2027 and May 19, 2030, respectively. The bonds were priced at par with coupon rate of 6.1942% for Series C Bonds and 6.3494% for Series D Bonds payable on a quarterly basis.

Interest expense on bonds payable amounted to P1.1 billion and P0.4 billion for the nine months ended September 30, 2025 and 2024, respectively. As at September 30, 2025 and December 31, 2024, unamortized bond transaction costs amounted to P138.8 million and P35.3 million, respectively.

14. Capital

As at September 30, 2025 and December 31, 2024, the Bank's capital stock consists of the following:

	Shares	Amount
Authorized Capital Stock		
Common stock, P10 par value	1,702,511,470	P17,025,114,700
Preferred stock, P10 par value	455,000,000	4,550,000,000
	2,157,511,470	P21,575,114,700
Issued and Outstanding		
Common stock	1,403,013,920	P14,030,139,200
Preferred stock	416,666,670	4,166,666,700
	1,819,680,590	P18,196,805,900
Paid-in Surplus		
Common stock		P5,995,503,421
Preferred stock		1,233,771,939
		P7,229,275,360

Cash Dividend

On May 27, 2025, the BOD declared cash dividends amounting to P851.4 million or equivalent to P0.25 regular dividend per common share, P0.20 special dividend per common share, and P0.5280 per preferred share, payable on July 15, 2025 to all stockholders of record as of June 19, 2025.

15. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

The Bank's related parties include:

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members;
- associates and companies linked directly or indirectly to the Bank through one or more intermediaries or are members of the same group, is controlled by, is under the same significant influence, or is under common control with the Bank; and
- post-employment benefit plans for the benefit of the Bank's employees.

The Bank has various transactions with its related parties and with certain directors, officers, stockholders, and related interests (DOSRI). These transactions usually arise from normal banking activities such as lending, borrowing, deposit arrangements and trading of securities, among others. Under existing policies of the Bank, transactions with related parties are made substantially on the same terms as with other individuals and businesses of comparable risks.

As at September 30, 2025 and December 31, 2024, DOSRI loans of the Bank amounted to nil and P0.06 million, respectively.

16. Commitments and Contingencies

In the normal course of operations, the Bank makes various commitments, such as guarantees, commitments to extend credit, etc., which are not reflected in the accompanying financial statements. The Bank does not anticipate any material losses as a result of these transactions.

The following is a summary of the Bank's commitments and contingencies at their peso equivalent contractual amounts arising from off-books accounts as at September 30, 2025 and December 31, 2024:

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Contingent assets:		
Future/spot exchange bought	P6,830,978,542	P3,412,855,000
Fixed income securities purchased	303,192,515	25,619,362
Outward bills for collection	2,400,138	-
	P7,136,571,195	P3,438,474,362
Commitments and contingent liabilities:		
Trust department accounts	P67,973,642,866	P72,733,928,823
Committed credit line	18,613,458,658	15,658,499,835
Future/spot exchange sold	7,966,100,210	3,962,382,500
Unused commercial letters of credit	6,180,562,856	10,207,552,133
Credit card lines	4,249,197,290	3,866,333,335
Outstanding guarantees	3,008,387,635	2,229,592,892
Retirement obligations	154,519,260	154,519,260
Inward bills for Collection-Domestic	139,085,787	1,272,590
Fixed income securities sold	79,538,867	25,619,362
Late deposits/payments received	632,179	59,173,307
Items held for safekeeping/securities held as collateral	58,458	64,100
	P108,365,184,066	P108,898,938,137

Retirement obligations pertain to the estimated impact of the amendments to the Bank's retirement plan on past service cost, subject to certain conditions.

The Bank has several loan-related suits, claims and regulatory examinations that remain unsettled or ongoing. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of management, in consultation with its legal counsels, the suits and claims, if decided adversely, will not involve sums having a material effect on the Bank's financial statements.

Other Commitments

No asset is being pledged by the Bank to secure outstanding liabilities as at September 30, 2025 and December 31, 2024.

17. Financial Performance Indicators

Basic earnings per share amounts were computed as follows:

	Nine Months Ended September 30 (Unaudited)	
	2025	2024
a. Net income	P2,745,078,315	P2,211,862,535
b. Dividends on preferred shares*	210,833,335	174,166,668
c. Net income to equity holders of the Bank	2,534,244,980	2,037,695,867
d. Weighted average number of outstanding common shares	1,403,013,920	1,403,013,920
e. Basic earnings per share (c/d)	P1.81	P1.45

* potential dividends on preferred shares as these were not assumed to be converted.

Diluted earnings per share attributable to equity holders of the Bank were computed as follows:

	Nine Months Ended September 30 (Unaudited)	
	2025	2024
a. Net income to equity holders of the Bank	P2,745,078,315	P2,211,862,535
b. Weighted average number of outstanding common shares and dilutive preferred shares		
Outstanding common shares	1,403,013,920	1,403,013,920
Potential common shares from assumed conversion of preferred shares	416,666,670	416,666,670
c. Total weighted average common shares	1,819,680,590	1,819,680,590
d. Diluted earnings per share (a/c)	P1.51	P1.22

The following basic ratios measure the financial performance of the Bank:

	Nine Months Ended September 30 (Unaudited)	
	2025	2024
Return on average equity	10.63%	9.27%
Return on average assets	1.35%	1.26%
Net interest margin on average earning assets	4.34%	4.48%

18. Other Matters

Other than the disclosures enumerated above, the Bank has no significant matters to report on the following during the quarter ended September 30, 2025:

- Unusual items because of their nature, size or incidents affecting assets, liabilities, equity, net income or cash flows;
- Any known trends, demands, commitments, events or uncertainties that will have a material impact on liquidity and on sales/revenues from continuing operations;
- Explanatory comments about seasonality or cyclicity of interim operations;
- Issuances, repurchases, and repayments of debt and equity securities except for the issuance of the Series C Bonds and Series D Bonds with face value of P10.0 billion and P8.0 billion, respectively, as discussed in Note 13 and the repayment of the long-term negotiable certificates of time deposit amounting to P5.0 billion on September 17, 2025; and
- Any material commitments for capital expenditures.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS BANK OF COMMERCE

	September 30, 2025	December 31, 2024
Current ratio	0.49	0.56
Acid test ratio	0.48	0.55
Debt-to-equity ratio	6.75	6.99
Asset-to-equity ratio	7.75	7.99
Debt-to-asset ratio	0.87	0.87
Loans to deposit Ratio	0.79	0.64
Non-performing loans ratio - Gross (%)*	1.34	1.25
Non-performing loans ratio - Net (%)*	0.55	0.49
Non-performing loan (NPL) cover (%)	79.89	97.47
Capital Adequacy Ratio (%)	16.97	17.58

	September 30, 2025	September 30, 2024
Return on average assets (%)	1.35	1.26
Return on average equity (%)	10.63	9.27
Net interest margin (%)	4.34	4.48
Net profit margin (%)	29.54	27.50
Cost to income ratio	0.59	0.62
Interest rate coverage ratio	2.11	1.94
Solvency ratio	0.02	0.02

**Calculated based on BSP Circulars 941 and 1011.*

BANK OF COMMERCE

AGING OF ACCOUNTS RECEIVABLE
AS OF SEPTEMBER 30, 2025
(in thousands)

No. of Days Outstanding	Amount
0 to 30 days	P450,814
31 to 60 days	26,196
61 to 90 days	3,511
91 to 360 days	101,410
above 360 days	586,079
Accounts Receivable - Gross	1,168,010
Less: Allowance for Probable Losses	723,315
Accounts Receivable - Net	P444,695

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Statement of Income for the period ended September 30, 2025 vs September 30, 2024

For the nine months ended 30 September 2025, Bank of Commerce recorded a net income of P2.75 billion, reflecting a 24.11% increase from P2.21 billion in the same period last year. The robust performance was attributable to sustained growth across core revenue streams, driven by net interest income and gains from foreign exchange transactions.

The third quarter results translated into a return on equity (ROE) of 10.63%, underscoring the effective execution of strategies focused on the SMC ecosystem while optimizing capital utilization and operational efficiency while maintaining disciplined risk management.

Interest income from loans and receivables, contributing more than 70% of the total interest revenue, rose by 14.31% to P7.99 billion, up from P6.99 billion in the same period of 2024. The growth was due to the sustained expansion across the Bank's lending portfolio.

Interest income from investment securities measured at fair value through other comprehensive income (FVOCI) and at amortized cost increased by 15.51% to P2.36 billion from P2.04 billion in the same period last year, due to the increase in volume of placements with higher yields. Similarly, interest income from financial assets at fair value through profit or loss (FVTPL) posted significant growth, reaching P209.40 million, almost 3x the P71.77 million recorded the previous year, on the back of additional investments.

Interest income on Due from Bangko Sentral ng Pilipinas and other banks declined by 16.48% to P247.24 million from P296.01 million in the same period last year, reflecting the impact of recent policy rate cuts. Similarly, interest income from interbank loans receivable and SPURA moderately dropped by 4.37% to P408.25 million, compared to P426.89 million in 2024.

Total interest expense increased to P3.31 billion from P3.06 billion in the same period last year, driven by the following: 9.85% increase in interest on lease liabilities, amounting to P31.07 million from last year's P28.28 million owing to lease renewals; 160.89% higher interest on bonds payable, reaching P1.08 billion from P415.45 million in 2024 due to increase in bond issuance and a 52.54% increase in interest expense on bills payable totaling P6.78 million compared to P4.44 million last year due to increase in bills payable on deposit substitutes; all of which offset the 16.10% lower interest expense on deposit liabilities to P2.19 billion versus the P2.61 billion in the same period in 2024.

The Bank posted a net interest margin (NIM) of 4.34%, reflecting enhanced asset yield management and disciplined management of funding.

Total other income was up by 9.34%, reaching P1.40 billion for the nine-month period this year from P1.28 billion in the same period in 2024. The increase primarily came from the substantial increase in foreign exchange gains which recorded a strong growth amounting to P192.49 million, more than 2x the P91.29 million in 2024. This rise was attributed to the growth in foreign exchange transactions facilitated by the Bank. Gains on foreclosure, and sale of property and equipment and foreclosed assets also grew by 39.08% to P358.79 million,

driven by higher revenues from the sale of assets.

On the other hand, trading and securities gains declined by 16.23% to P112.88 million from P134.75 million in the same period last year.

Service charges, fees, and commissions declined by 6.58% to P670.42 million from P717.63 million in the same period last year. Revenue generation is mainly attributable to fee-based income from investment banking, trust operations and credit cards.

Miscellaneous income also declined by 17.25% to P64.43 million from P77.86 million in the same period of 2024, primarily due to lower recoveries from charged-off assets.

Total expenses, including provisions for credit and impairment losses, rose by 8.75% in 2025 to P5.61 billion. Despite the increase, the Bank recorded a cost-to-income ratio of 59%, reflecting sustained operational efficiency amid continued revenue growth. The rise in expenses was attributed to strategic investments in human capital and technology, alongside a greater volume of business transactions.

Compensation and fringe benefits grew by 18.30% to P2.28 billion, driven by an expanded workforce and enhanced retention initiatives.

Taxes and licenses grew by 2.57% from last year to P850.24 million, driven by greater business volume on operational transactions. Rent and utilities grew by 4.94% to P519.97 million from P495.48 million due to increase in utilities expense such as power, light, and water costs, security, rent of bank premises and office equipment, as well as repairs and maintenance.

Depreciation and amortization increased by 8.18% to P492.92 million from last year's P455.67 million. The rise was driven by higher depreciation charges on property, plant and equipment, leasehold rights improvements, as well as on foreclosed assets. Furthermore, amortization of software costs increased to P102.90 million from P62.80 million, owing to the acquisition and utilization of various software solutions during the period.

Insurance expenses rose by 8.76% to P299.93 million, primarily due to higher PDIC premiums on deposits. Service fees and commissions moderately increased by 1.53% to P302.27 million compared to P297.71 million last year. Subscription fees grew by 14.20% to P171.84 million from P150.47 million, driven by the Bank's expanded utilization of IT-related subscription services.

Management and professional fees declined by 12.54% from last year's P76.82 million to P67.18 million due to completion of key consulting projects in the prior year. Miscellaneous expenses also posted an increase of 2.69%, amounting to P390.26 million from P380.03 million in 2024.

The Bank set aside P123 million worth of provisions for credit and impairment losses to cover its requirements.

The Bank's share in the net loss of its associate amounted to P0.24 million for the period, lower than the P0.43 million recorded in 2024.

Income tax expense amounted to P943.40 million, reflecting a 39.78% increase from P674.90 million in the comparable period of 2024.

Statement of Comprehensive Income for the period ended September 30, 2025 vs September 30, 2024

The Bank posted a total comprehensive income of P3.26 billion, 27.07% up from the P2.56 billion in the same period last year. This was primarily driven by the higher net income for the period and an increase in the fair value of FVOCI debt securities.

Statement of Condition as of September 30, 2025 vs. December 31, 2024

As of 30 September 2025, the Bank's total assets stood at P276.25 billion, marking a modest increase of 4.07% from P265.44 billion of last year. This translated to a return on assets (ROA) of 1.35%.

Asset movements are as follows:

Cash and other cash items declined by 24.53% amounting to P3.20 billion, compared to the previous period attributed to the rationalization of branch-level cash holdings, in line with evolving transaction volumes. Due from BSP significantly decreased by 75.53% to P11.73 billion from P47.91 billion last year due to the drop in the overnight deposit facility (ODF) placements. Due from other banks also decreased by 49.49% to P1.93 billion this year from P3.82 billion of the previous year, on account of lower placements across local and foreign banks.

Interbank loan receivables amounted to P17.37 billion, almost 5x the P3.59 billion in 2024. The significant increase was mainly driven by higher loans and receivables arising from reverse repurchase agreement (RPA).

Financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI), significantly increased to P4.97 billion and P31.18 billion, respectively, from P2.88 billion and P19.08 billion in the previous year, mainly due to additional purchases. Investment securities at amortized cost also rose to P44.72 billion or 22.15% from P36.61 billion of last year, driven by the higher purchases of securities.

Loans and other receivables, which account for 54.36% of total assets, reached P150.18 billion, 10.02% up from P136.51 billion as of end-2024. The growth was primarily driven by the across-the-board expansion of the Bank's lending portfolio, particularly within the corporate and consumer segments, with continued focus on the SMC ecosystem. The loan growth resulted in a loan-to-deposit ratio of 79%. Gross non-performing loans (NPL) and net NPL ratios were at 1.34% and 0.55%.

Property and equipment marginally declined by 0.80% to ₱1.98 billion from ₱2.00 billion last year. Investment properties slightly increased by 3.28%, reaching ₱4.12 billion from ₱3.99 billion, primarily due to increase in ROPA. Meanwhile, the Bank's investment in associate remained relatively flat at ₱34.19 million.

Deferred tax assets is slightly up by 2.41% from last year to ₱457.77 million. Similarly, other assets slightly grew by 0.74% to ₱4.36 billion from ₱4.33 billion due to an increase in miscellaneous assets.

Total liabilities increased to ₱240.61 billion as of 30 September 2025, 3.62% higher from the ₱232.21 billion as of 31 December 2024.

Deposit liabilities, which comprise more than 85% of the Bank's total liabilities, slightly declined to ₱208.19 billion, 1.80% down from last year's ₱212.01 billion, due to lower levels in savings deposits and maturity of the bank's LTNCD.

Broken down, total deposits consisted of ₱186.18 billion in current and savings accounts (CASA), posting a 1.52% decline from ₱189.06 billion in 2024. Time deposits settled at ₱22.00 billion, 22.82% up from the ₱17.92 billion recorded in 2024.

Financial liabilities at FVPL grew by 17.97%, amounting to ₱53.34 million owing to higher foreign exchange derivatives.

Bonds payable totaled ₱24.43 billion, substantial increase was mainly driven by the successful issuance of the Bank's dual-tranche fixed rate bonds on 19 February 2025 amounting to ₱18 billion - ₱10 billion carrying a 6.1942% coupon rate and ₱8 billion with a 6.3494% coupon rate. Additionally, ₱6.57 billion worth of bonds issued on May 16, 2024 will mature in November 2025.

Manager's checks posted an increase of 8.66%, reaching ₱1.54 billion versus the previous year. Accrued interest, taxes, and other expenses also rose by 19.16% to ₱1.31 billion.

In contrast, other liabilities declined to ₱5.09 billion, 2.2x down from ₱11.11 billion, owing to a reduction in accounts payable during the period.

The Bank's total capital funds stood at ₱35.64 billion, 7.24% up from the ₱33.23 billion last year. On July 15, 2025, the Bank paid out a 79% increase in common share dividends amounting to ₱0.2500 for regular common shares and ₱0.2000 for special common shares or a total of ₱851.36 million. The increase in equity was driven by the sustained performance of the bank and positive retained earnings.

The bank's capital adequacy ratio (CAR) remained strong at 16.97%, well above the minimum regulatory requirement of 10.0%.