



P&A
Grant Thornton

Combined Financial Statements and
Independent Auditors' Report

Bank of Commerce – Trust Services Group
The Trust And Managed Funds Operated
by the Trust Service Group

December 31, 2025

*(With Supplementary Combining Information and
Comparative Figures for the Year Ended December 31, 2024)*

Report of Independent Auditors

The Trust and Investment Committee
Bank of Commerce – Trust Services Group
San Miguel Properties Centre
No. 7 St. Francis Street
Mandaluyong City

Opinion

We have audited the combined financial statements of the Trust and Managed Funds (the TMF) operated by the Trust Services Group (TSG) of Bank of Commerce (the Bank), which comprise the combined statement of financial position as at December 31, 2025 and the combined statement of income, combined statement of comprehensive income and combined statement of changes in accountabilities for the year then ended, and the notes to combined financial statements, including material accounting policy information.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the TMF operated by the Bank's TSG as at December 31, 2025, and its combined financial performance for the year then ended in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions issued by the Bangko Sentral ng Pilipinas (BSP), as described in Note 2 to combined financial statements.

Basis for Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the accompanying combined financial statements taken as a whole. The supplementary combining information as at December 31, 2025 and for the year then ended is presented for purposes of additional analysis and is not a required part of the basic combined financial statements. This supplementary combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the combined financial statements taken as a whole.

The combined financial statements of the TMF operated by the Bank's TSG as at and for the year ended December 31, 2024 were audited by other auditors whose report, dated April 29, 2025, expressed an unqualified opinion on those combined financial statements prepared under the same basis of accounting. As part of our audit of the 2025 combined financial statements, we audited the reclassifications described in Note 2 that were applied to the 2024 combined financial statements, and to the opening combined statement of financial position as of January 1, 2024. In our opinion, such reclassifications are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the combined financial statements of the TMF as of December 31, 2024, other than with respect to the reclassifications. Accordingly, we do not express an opinion or any other form of assurance on the TMF's combined financial statements taken as of December 31, 2024 as a whole, including the third combined statement of financial position as of January 1, 2024.

Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions issued by the BSP, as discussed in Note 2 to combined financial statements, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error. These combined financial statements were prepared from the transactions recorded in the books of accounts maintained by the TSG for the TMF.

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

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

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TSG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TSG's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the TSG to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PUNONGBAYAN & ARAULLO



By: Maria Isabel E. Comedia
Partner

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SEC Group A Accreditation
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Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-021-2025 (until August 6, 2028)
BOA/PRC Cert. of Reg. No. 0002/P-005 (until August 12, 2027)

March 25, 2026

BANK OF COMMERCE, INC.
 COMBINED STATEMENT OF FINANCIAL POSITION
 OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
 DECEMBER 31, 2025

*(With Supplementary Combining Information and Comparative Figures as of December 31, 2024 and January 1, 2024)
 (Amounts in Philippine Pesos)*

	Notes	December 31, 2025						
		Trust			Fiduciary	Agency		Combined
		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
ASSETS								
DUE FROM BANGKO SENTRAL NG PILIPINAS	6	P -	P -	P 47,486,272	P -	P -	P -	P 47,486,272
DEPOSITS IN BANKS	7	17,948,719	114,867,913	35,313,025	328,672,511	599,519,227	2,586,261,494	3,682,582,889
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8	794,904,549	762,535,395	828,534,286	16,981,799	10,289,786,936	8,433,191,123	21,125,934,088
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	9	-	35,072,419	1,236,512,256	92,745,638	5,558,462,578	13,051,604,051	19,974,396,942
FINANCIAL ASSETS AT AMORTIZED COST	10	-	-	-	-	3,465,000,000	-	3,465,000,000
LOANS AND OTHER RECEIVABLES - Net	11	790,774	6,717,102	20,474,684	862,533	17,392,547,175	2,889,956,557	20,311,348,825
INVESTMENT PROPERTIES	12	-	62,665,250	10,160,774	-	-	-	72,826,024
OTHER ASSETS	13	<u>2,985,193</u>	<u>566,994</u>	<u>3,211,502</u>	<u>484,432</u>	<u>45,276,999</u>	<u>95,472,332</u>	<u>147,997,452</u>
TOTAL ASSETS		<u>P 816,629,235</u>	<u>P 982,425,073</u>	<u>P 2,181,692,799</u>	<u>P 439,746,913</u>	<u>P 37,350,592,915</u>	<u>P 27,056,485,557</u>	<u>P 68,827,572,492</u>
ACCOUNTABILITIES								
PRINCIPAL	2	P 799,691,509	P 856,940,674	P 1,977,457,625	P 398,203,508	P 36,689,806,429	P 26,577,430,108	P 67,299,529,853
ACCUMULATED EARNINGS	2	14,916,100	118,703,733	177,467,711	23,170,444	413,950,063	450,545,811	1,198,753,862
NET UNREALIZED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2	-	(59,995)	20,735,144	1,046,490	5,656,084	(24,498,675)	2,879,048
OTHER ACCOUNTABILITIES	14	<u>2,021,626</u>	<u>6,840,661</u>	<u>6,032,319</u>	<u>17,326,471</u>	<u>241,180,339</u>	<u>53,008,313</u>	<u>326,409,729</u>
TOTAL ACCOUNTABILITIES		<u>P 816,629,235</u>	<u>P 982,425,073</u>	<u>P 2,181,692,799</u>	<u>P 439,746,913</u>	<u>P 37,350,592,915</u>	<u>P 27,056,485,557</u>	<u>P 68,827,572,492</u>

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures as of December 31, 2024 and January 1, 2024)
(Amounts in Philippine Pesos)

		December 31, 2024 (As Restated - see Note 2.1)								
		Trust			Fiduciary		Agency			
Notes		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	Combined		
<u>ASSETS</u>										
	DUE FROM BANGKO SENTRAL NG PILIPINAS	P -	P -	P 45,886,272	P -	P -	P -	P -	P -	P 45,886,272
	DEPOSITS IN BANKS	46,659,774	142,057,605	67,784,431	250,795,924	1,490,568,515	3,983,762,269	5,981,628,518		
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	259,813,905	646,508,018	365,138,305	2,132,082	9,847,930,824	7,400,112,964	18,521,636,098		
	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	30,173,718	1,338,784,881	169,277,990	5,059,022,587	10,981,994,524	17,579,253,700		
	FINANCIAL ASSETS AT AMORTIZED COST	-	-	-	-	3,465,000,000	-	3,465,000,000		
	LOANS AND OTHER RECEIVABLES - Net	2,444,164	6,157,811	15,375,297	2,444,391	22,891,784,508	3,682,835,954	26,601,042,125		
	INVESTMENT PROPERTIES	-	62,665,250	10,160,774	-	-	-	72,826,024		
	OTHER ASSETS	<u>375,163</u>	<u>484,450</u>	<u>2,856,268</u>	<u>597,276</u>	<u>46,305,160</u>	<u>91,750,910</u>	<u>142,369,227</u>		
	TOTAL ASSETS	<u>P 309,293,006</u>	<u>P 888,046,852</u>	<u>P 1,845,986,228</u>	<u>P 425,247,663</u>	<u>P 42,800,611,594</u>	<u>P 26,140,456,621</u>	<u>P 72,409,641,964</u>		
<u>ACCOUNTABILITIES</u>										
	PRINCIPAL	P 308,456,230	P 805,635,589	P 1,737,055,452	P 397,902,221	P 44,303,742,598	P 26,095,364,355	P 73,648,156,445		
	ACCUMULATED EARNINGS (LOSSES)	(807,096)	76,978,309	86,774,388	16,330,388	(1,594,860,225)	224,606,312	(1,190,977,924)		
	NET UNREALIZED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	-	(441,730)	16,326,567	1,770,272	(114,545,648)	(257,640,716)	(354,531,255)		
	OTHER ACCOUNTABILITIES	<u>1,643,872</u>	<u>5,874,684</u>	<u>5,829,821</u>	<u>9,244,782</u>	<u>206,274,869</u>	<u>78,126,670</u>	<u>306,994,698</u>		
	TOTAL ACCOUNTABILITIES	<u>P 309,293,006</u>	<u>P 888,046,852</u>	<u>P 1,845,986,228</u>	<u>P 425,247,663</u>	<u>P 42,800,611,594</u>	<u>P 26,140,456,621</u>	<u>P 72,409,641,964</u>		

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures as of December 31, 2024 and January 1, 2024)
(Amounts in Philippine Pesos)

		January 1, 2024 (As Restated - see Note 2.1)								
		Trust			Fiduciary		Agency			
Notes		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	Combined		
<u>ASSETS</u>										
	DUE FROM BANGKO SENTRAL NG PILIPINAS	6	P -	P -	P 44,335,272	P -	P -	P -	P -	P 44,335,272
	DEPOSITS IN BANKS	7	33,005,353	189,067,614	128,461,856	474,952,357	2,138,365,242	2,838,864,900		5,802,717,322
	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8	223,252,983	755,929,429	320,098,597	13,521,018	8,615,059,274	6,652,326,365		16,580,187,666
	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	9	-	22,068,562	1,156,930,757	122,145,508	3,513,347,970	9,087,958,314		13,902,451,111
	FINANCIAL ASSETS AT AMORTIZED COST	10	-	-	-	-	3,465,000,000	-		3,465,000,000
	LOANS AND OTHER RECEIVABLES - Net	11	3,407,022	5,211,731	15,020,046	2,463,952	28,458,353,963	3,752,635,531		32,237,092,245
	INVESTMENT PROPERTIES	12	-	62,665,250	10,160,774	-	-	-		72,826,024
	OTHER ASSETS	13	300,357	1,510,684	109,516	(114,572)	11,383,458	15,693,658		28,883,101
	TOTAL ASSETS		<u>P 259,965,715</u>	<u>P 1,036,453,270</u>	<u>P 1,675,116,818</u>	<u>P 612,968,263</u>	<u>P 46,201,509,907</u>	<u>P 22,347,478,768</u>		<u>P 72,133,492,741</u>
<u>ACCOUNTABILITIES</u>										
	PRINCIPAL	2	P 248,943,065	P 1,006,864,271	P 1,567,368,009	P 595,263,752	P 44,020,808,867	P 22,812,352,369		P 70,251,600,333
	ACCUMULATED EARNINGS (LOSSES)	2	(1,955,391)	25,903,493	11,249,482	5,028,303	2,283,387,179	1,290,716		2,324,903,782
	NET UNREALIZED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2	-	(862,818)	2,255,081	1,851,728	(257,016,777)	(505,402,120)	(759,174,906)	
	OTHER ACCOUNTABILITIES	14	12,978,041	4,548,324	94,244,246	10,824,480	154,330,638	39,237,803		316,163,532
	TOTAL ACCOUNTABILITIES		<u>P 259,965,715</u>	<u>P 1,036,453,270</u>	<u>P 1,675,116,818</u>	<u>P 612,968,263</u>	<u>P 46,201,509,907</u>	<u>P 22,347,478,768</u>		<u>P 72,133,492,741</u>

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF INCOME
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures for the Year Ended December 31, 2024)
(Amounts in Philippine Pesos)

	Notes	Trust			Fiduciary	Agency		Combined
		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
2025								
INCOME								
Interest income on:								
Loans and receivables	11	P -	P 43,702	P 167,834	P -	P 1,583,637,013	P 167,834,082	P 1,751,682,631
Financial assets at fair value through profit or loss	8	2,782,139	27,232,488	7,431,701	-	-	191,739,239	229,185,567
Financial assets at fair value through other comprehensive income	9	-	1,554,581	84,824,381	8,440,366	486,924,401	716,685,434	1,298,429,163
Financial assets at amortized cost	10	-	-	-	-	269,823,700	-	269,823,700
Deposit in banks	7	1,030,937	5,174,437	993,616	11,359,814	35,837,672	94,342,437	148,738,913
Long term negotiable certificate of deposit		-	-	96,640	-	3,495,938	13,949,007	17,541,585
Trading and securities gains - net	8, 9	11,444,883	3,215,002	25,785,286	360,739	257,694,061	212,009,160	510,509,131
Other income	8	14,736,816	10,587,372	13,523,065	38,492	515,988,639	493,826,314	1,048,700,698
		<u>29,994,775</u>	<u>47,807,582</u>	<u>132,822,523</u>	<u>20,199,411</u>	<u>3,153,401,424</u>	<u>1,890,385,673</u>	<u>5,274,611,388</u>
EXPENSES								
Provision for (reversal of) credit and impairment losses	7, 9, 10, 11	-	57,125	(1,164,292)	(387,321)	(173,936,811)	(43,636,869)	(219,068,168)
Trust fees	15	1,848,481	3,043,592	6,072,618	6,755,838	94,862,332	82,012,598	194,595,459
Other expenses		5,197,518	1,191,992	3,071,988	1,046,463	12,903,464	31,203,012	54,614,437
Taxes	16	472,682	1,767,156	17,568,011	2,847,336	476,120,572	250,494,186	749,269,943
		<u>7,518,681</u>	<u>6,059,865</u>	<u>25,548,325</u>	<u>10,262,316</u>	<u>409,949,557</u>	<u>320,072,927</u>	<u>779,411,671</u>
NET INCOME		P 22,476,094	P 41,747,717	P 107,274,198	P 9,937,095	P 2,743,451,867	P 1,570,312,746	P 4,495,199,717
2024								
INCOME								
Interest income on:								
Loans and receivables	11	P -	P -	P 70,430	P -	P 2,231,716,739	P 271,706,563	P 2,503,493,732
Financial assets at fair value through profit or loss	8	2,955,123	23,001,819	-	-	66,020,423	4,753,437	96,730,802
Financial assets fair value through other comprehensive income	9	-	1,061,998	70,862,102	10,309,140	269,765,750	646,104,125	998,103,115
Financial assets at amortized cost	10	-	-	-	-	269,823,700	-	269,823,700
Deposit in banks	7	1,823,280	7,795,081	630,403	11,971,910	93,061,766	197,047,326	312,329,766
Long term negotiable certificate of deposit		-	25,694	38,882	-	4,944,584	18,208,881	23,218,041
Trading and securities gains (losses) - net	8, 9	(3,155,297)	16,059,075	26,696,551	177,866	233,261,169	161,447,047	434,486,411
Other income	8	9,741,778	9,850,989	9,879,036	187,834	532,572,676	462,859,743	1,025,092,056
		<u>11,364,884</u>	<u>57,794,656</u>	<u>108,177,404</u>	<u>22,646,750</u>	<u>3,701,166,807</u>	<u>1,762,127,122</u>	<u>5,663,277,623</u>
EXPENSES								
Provision for (reversal of) credit and impairment losses	7, 9, 10, 11	-	91,161	1,700,646	236,658	(268,519,662)	34,121,324	(232,369,873)
Trust fees	15	1,302,433	3,069,026	4,620,515	5,144,753	99,893,649	71,491,149	185,521,525
Other expenses		2,247,447	1,618,766	1,026,923	769,191	4,153,319	6,494,794	16,310,440
Taxes	16	586,190	1,940,887	12,435,229	3,063,946	581,009,300	255,532,645	854,568,197
		<u>4,136,070</u>	<u>6,719,840</u>	<u>19,783,313</u>	<u>9,214,548</u>	<u>416,536,606</u>	<u>367,639,912</u>	<u>824,030,289</u>
NET INCOME		P 7,228,814	P 51,074,816	P 88,394,091	P 13,432,202	P 3,284,630,201	P 1,394,487,210	P 4,839,247,334

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF COMPREHENSIVE INCOME
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures for the Year Ended December 31, 2024)
(Amounts in Philippine Pesos)

Note	Trust			Fiduciary	Agency		Combined
	Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
<u>2025</u>							
NET PROFIT	P 22,476,094	P 41,747,717	P 107,274,198	P 9,937,095	P 2,743,451,867	P 1,570,312,746	P 4,495,199,717
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will be reclassified subsequently to profit or loss:							
Fair value gains on debt securities at fair value through other comprehensive income (FVOCI)	-	336,508	5,492,128	42,257	116,284,650	214,614,038	336,769,581
Impairment recoveries (losses) on debt securities at FVOCI	-	45,227	(1,083,550)	(766,039)	3,827,921	18,528,003	20,551,562
Item that will not be reclassified subsequently to profit or loss –							
Fair value gains on equity securities at FVOCI	-	-	-	-	89,161	-	89,161
Other Comprehensive Income (Loss)	9 -	381,735	4,408,578	(723,782)	120,201,732	233,142,041	357,410,304
TOTAL COMPREHENSIVE INCOME	P 22,476,094	P 42,129,452	P 111,682,776	P 9,213,313	P 2,863,653,599	P 1,803,454,787	P 4,852,610,021
<u>2024</u>							
NET PROFIT	P 7,228,814	P 51,074,816	P 88,394,091	P 13,432,202	P 3,284,630,201	P 1,394,487,210	P 4,839,247,334
OTHER COMPREHENSIVE INCOME (LOSS)							
Items that will be reclassified subsequently to profit or loss:							
Fair value gains (losses) on debt securities at fair value through other comprehensive income (FVOCI)	-	345,830	12,396,043	(677,323)	128,302,343	231,176,267	371,543,160
Impairment recoveries on debt securities at FVOCI	-	75,258	1,675,443	480,109	14,168,786	16,585,137	32,984,733
Item that will not be reclassified subsequently to profit or loss –							
Fair value gains on equity securities at FVOCI	-	-	-	115,758	-	-	115,758
Other Comprehensive Income (Loss)	9 -	421,088	14,071,486	(81,456)	142,471,129	247,761,404	404,643,651
TOTAL COMPREHENSIVE INCOME	P 7,228,814	P 51,495,904	P 102,465,577	P 13,350,746	P 3,427,101,330	P 1,642,248,614	P 5,243,890,985

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF CHANGES IN ACCOUNTABILITIES
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures for the Year Ended December 31, 2024)
(Amounts in Philippine Pesos)

	Notes	2025						Combined
		Trust			Fiduciary	Agency		
		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
PRINCIPAL	2							
Balance at beginning of year								
As previously reported		P 310,141,162	P 857,487,741	P 1,714,139,662	P 406,229,756	P 156,751,763,330	P 30,434,349,204	P 190,474,110,855
Prior period adjustment		(1,684,932)	(51,852,152)	22,915,790	(8,327,535)	(112,448,020,732)	(4,338,984,849)	(116,825,954,410)
As restated		<u>308,456,230</u>	<u>805,635,589</u>	<u>1,737,055,452</u>	<u>397,902,221</u>	<u>44,303,742,598</u>	<u>26,095,364,355</u>	<u>73,648,156,445</u>
Contributions		4,976,229,383	1,304,474,358	3,936,539,388	17,418,795,095	624,994,084,714	85,521,513,227	738,151,636,165
Withdrawals		(4,484,994,104)	(1,253,169,273)	(3,696,137,215)	(17,418,493,808)	(632,608,020,883)	(85,039,447,474)	(744,500,262,757)
Balance at end of year		<u>799,691,509</u>	<u>856,940,674</u>	<u>1,977,457,625</u>	<u>398,203,508</u>	<u>36,689,806,429</u>	<u>26,577,430,108</u>	<u>67,299,529,853</u>
ACCUMULATED INCOME (LOSS)	2							
Balance at beginning of year								
As previously reported		(2,492,028)	25,126,157	109,690,178	8,002,853	(114,042,880,957)	(4,114,378,537)	(118,016,932,334)
Prior period adjustment		1,684,932	51,852,152	(22,915,790)	8,327,535	112,448,020,732	4,338,984,849	116,825,954,410
As restated		<u>(807,096)</u>	<u>76,978,309</u>	<u>86,774,388</u>	<u>16,330,388</u>	<u>(1,594,860,225)</u>	<u>224,606,312</u>	<u>(1,190,977,924)</u>
Net income		22,476,094	41,747,717	107,274,198	9,937,095	2,743,451,867	1,570,312,746	4,495,199,717
Withdrawals - income		(6,752,898)	(22,293)	(16,580,875)	(3,097,039)	(734,641,579)	(1,344,373,247)	(2,105,467,931)
Balance at end of year		<u>14,916,100</u>	<u>118,703,733</u>	<u>177,467,711</u>	<u>23,170,444</u>	<u>413,950,063</u>	<u>450,545,811</u>	<u>1,198,753,862</u>
NET UNREALIZED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)	2							
Balance at beginning of year		-	(441,730)	16,326,566	1,770,272	(114,545,648)	(257,640,716)	(354,531,256)
Other comprehensive income (loss)	9	-	381,735	4,408,578	(723,782)	120,201,732	233,142,041	357,410,304
Balance at end of year		<u>-</u>	<u>(59,995)</u>	<u>20,735,144</u>	<u>1,046,490</u>	<u>5,656,084</u>	<u>(24,498,675)</u>	<u>2,879,048</u>
Total Principal Fund Balance		<u>814,607,609</u>	<u>975,584,412</u>	<u>2,175,660,480</u>	<u>422,420,442</u>	<u>37,109,412,576</u>	<u>27,003,477,244</u>	<u>68,501,162,763</u>
OTHER ACCOUNTABILITIES	14							
Balance at beginning of year		1,643,872	5,874,684	5,829,821	9,244,782	206,274,869	78,126,670	306,994,698
Net accruals (payments)		377,754	965,977	202,498	8,081,689	34,905,470	(25,118,357)	19,415,031
Balance at end of year		<u>2,021,626</u>	<u>6,840,661</u>	<u>6,032,319</u>	<u>17,326,471</u>	<u>241,180,339</u>	<u>53,008,313</u>	<u>326,409,729</u>
TOTAL ACCOUNTABILITIES		<u>P 816,629,235</u>	<u>P 982,425,073</u>	<u>P 2,181,692,799</u>	<u>P 439,746,913</u>	<u>P 37,350,592,915</u>	<u>P 27,056,485,557</u>	<u>P 68,827,572,492</u>

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
COMBINED STATEMENT OF CHANGES IN ACCOUNTABILITIES
OF THE TRUST AND MANAGED FUNDS OPERATED BY THE TRUST SERVICE GROUP
FOR THE YEAR ENDED DECEMBER 31, 2025
(With Supplementary Combining Information and Comparative Figures for the Year Ended December 31, 2024)
(Amounts in Philippine Pesos)

	Notes	2024 (As Restated - see Note 2.1)						Combined
		Trust			Fiduciary	Agency		
		Unit Investment Trust Fund	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
PRINCIPAL	2							
Balance at beginning of year		P 250,627,997	P 1,058,716,423	P 1,541,753,489	P 603,316,286	P 156,434,963,348	P 27,167,970,233	P 187,057,347,776
As previously reported		P 250,627,997	P 1,058,716,423	P 1,541,753,489	P 603,316,286	P 156,434,963,348	P 27,167,970,233	P 187,057,347,776
Prior period adjustment		(1,684,932)	(51,852,152)	(25,614,520)	(8,052,534)	(112,414,154,481)	(4,355,617,864)	(116,805,747,443)
As restated		248,943,065	1,006,864,271	1,567,368,009	595,263,752	44,020,808,867	22,812,352,369	70,251,600,333
Contributions		3,656,402,722	898,870,812	2,734,940,817	7,150,769,264	494,524,023,342	48,951,040,076	557,916,047,033
Withdrawals								
As previously reported		(3,596,889,557)	(1,100,099,494)	(2,562,554,644)	(7,347,855,794)	(494,207,223,360)	(45,684,661,105)	(554,499,283,954)
Prior period adjustment		-	-	(2,698,730)	(275,001)	(33,866,251)	(16,633,015)	(20,206,967)
As restated		(3,596,889,557)	(1,100,099,494)	(2,565,253,374)	(7,348,130,795)	(494,241,089,611)	(45,668,028,090)	(554,519,490,921)
Balance at end of year		308,456,230	805,635,589	1,737,055,452	397,902,221	44,303,742,598	26,095,364,355	73,648,156,445
ACCUMULATED INCOME (LOSS)	2							
Balance at beginning of year		(3,640,323)	(25,948,659)	36,864,002	(3,024,231)	(110,130,767,302)	(4,354,327,148)	(114,480,843,661)
As previously reported		(3,640,323)	(25,948,659)	36,864,002	(3,024,231)	(110,130,767,302)	(4,354,327,148)	(114,480,843,661)
Prior period adjustment		1,684,932	51,852,152	(25,614,520)	8,052,534	112,414,154,481	4,355,617,864	116,805,747,443
As restated		(1,955,391)	25,903,493	11,249,482	5,028,303	2,283,387,179	1,290,716	2,324,903,782
Net income		7,228,814	51,074,816	88,394,091	13,432,202	3,284,630,201	1,394,487,210	4,839,247,334
Withdrawals - income								
As previously reported		(6,080,519)	-	(15,567,915)	(2,405,118)	(7,196,743,856)	(1,154,538,599)	(8,375,336,007)
Prior period adjustment		-	-	2,698,730	275,001	33,866,251	(16,633,015)	20,206,967
As restated		(6,080,519)	-	(12,869,185)	(2,130,117)	(7,162,877,605)	(1,171,171,614)	(8,355,129,040)
Balance at end of year		(807,096)	76,978,309	86,774,388	16,330,388	(1,594,860,225)	224,606,312	(1,190,977,924)
NET UNREALIZED FAIR VALUE GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)	2							
Balance at beginning of year		-	(862,818)	2,255,081	1,851,728	(257,016,777)	(505,402,120)	(759,174,906)
Other comprehensive income (loss)	9	-	421,088	14,071,486	(81,456)	142,471,129	247,761,404	404,643,651
Balance at end of year		-	(441,730)	16,326,567	1,770,272	(114,545,648)	(257,640,716)	(354,531,255)
Total Principal Fund Balance		307,649,134	882,172,168	1,840,156,407	416,002,881	42,594,336,725	26,062,329,951	72,102,647,266
OTHER ACCOUNTABILITIES	14							
Balance at beginning of year		12,978,041	4,548,324	94,244,246	10,824,480	154,330,638	39,237,803	316,163,532
Net accruals (payments)		(11,334,169)	1,326,360	(88,414,425)	(1,579,698)	51,944,231	38,888,867	(9,168,834)
Balance at end of year		1,643,872	5,874,684	5,829,821	9,244,782	206,274,869	78,126,670	306,994,698
TOTAL ACCOUNTABILITIES		P 309,293,006	P 888,046,852	P 1,845,986,228	P 425,247,663	P 42,800,611,594	P 26,140,456,621	P 72,409,641,964

See Notes to Combined Financial Statements.

BANK OF COMMERCE, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
OF THE TRUST AND MANAGED FUNDS
OPERATED BY THE TRUST SERVICES GROUP
DECEMBER 31, 2025

(With Comparative Figures as of and for the Year Ended December 31, 2024)
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

The Trust Services Group (the TSG) holds the mandate for the trust and fiduciary business of Bank of Commerce (the Bank). The authority to perform trust and other business is the power conferred by the General Banking Act and existing laws to the Bank which has been specifically qualified and authorized to engage in trust operations on January 15, 1965 under Republic Act No. 337, as amended, and Section 4404 of the Manual of Regulations, Book IV, as promulgated by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP).

The TSG is organizationally, operationally and functionally separate and distinct from the other departments and businesses of the Bank. Under local regulations, the TSG is allowed to perform asset management activities in its capacity as Trustee or Investment Manager.

In 2025, the Bank's Board of Directors (BOD) approved the change in the fund name of Diversity Money Market Fund to BankCom Peso Money Market Fund. The BSP subsequently approved this change on October 7, 2025. The new fund names will take effect on January 1, 2026.

The Bank's principal place of business is at San Miguel Properties Centre, No.7 St. Francis Street, Mandaluyong City.

1.2 Trust Operations

The Trust and Managed Funds (the TMF) are divided into the following three categories based on the contractual relationships of the trust with its clients:

(a) Trust

Trust refers to a fiduciary relationship wherein legal title to funds and/or properties of the trustor is transferred to the trustee, subject to an equitable obligation of the trustee to administer, hold and manage such funds and/or properties for the use, benefit or advantage of the trustor or other designated beneficiaries.

This is comprised of the following:

(i) *Unit Investment Trust Fund*

Unit Investment Trust Funds (UITF) are open-ended pooled trust funds operated and administered by a trust entity, made available by participation and place these in allowable investments. These allowable investments include bank deposits, government securities and marketable securities and such other investment outlets and categories as the BSP may allow. The participant in the UITF has the proportionate beneficial interest in the UITF as a whole.

The TSG has the following UITFs as of December 31, 2025 and 2024:

<u>Name of Fund</u>	<u>Inception Date</u>
<u>Bond Funds</u>	
Diversity Peso Bond Fund (DPBF)	March 11, 2005
Diversity Dollar Bond Fund (DDBF)	March 11, 2005
<u>Money Market Fund</u>	
Diversity Money Market Fund (DMMF)	August 16, 2013
<u>Equity Fund</u>	
Diversity Dividend Focused Fund (DDFF)	April 8, 2015

(ii) *Institutional Trust Accounts*

This refers to trust agreements where the trustor is a juridical entity such as but not limited to corporations, institutions, organizations or incorporated funds.

(iii) *Individual Trust Accounts*

This refers to trust agreements where the trustor is an individual or a natural person.

(b) *Other Fiduciary*

This refers to trust or agency agreements wherein the TSG may act as the depository of the assets and properties and shall manage the same in accordance with the provision of the trust agreement.

(c) *Agency*

This refers to a relationship wherein the TSG (the Agent) binds itself to render asset management services in representation or on behalf of the client (the Principal), with the consent or authority of the latter. The Agent does not hold legal title to the asset as it remains with the Principal.

(i) *Institutional Agency Accounts*

This refers to agency agreements where the Principal is a juridical entity such as but not limited to corporations, institutions, organizations, or incorporated funds.

(ii) *Individual Agency Accounts*

This refers to agency agreements where the Principal is an individual or a natural person.

1.3 Trust Reporting

On May 26, 2008, BSP issued Circular No. 609, *Financial Reporting Package for Trust Institutions*, which approved the revised Manual of Accounts for Trust Institutions and the corresponding BSP reportorial requirements through the issuance of the Financial Reporting Package for Trust Institutions, in view of the adoption of Philippine Financial Reporting Standards (PFRS Accounting Standards) (see Note 2).

On May 5, 2009, BSP issued Circular No. 653, *Guidelines in the Preparation of Audited Financial Statements for Trust Institutions* (the Guidelines), which is effective for financial reporting period beginning January 1, 2008 (see Note 2).

On November 22, 2019, in a letter addressed to the TOAP with regard to Philippine Accounting Standard (PAS) 26 (Interpretation), *Accounting and Reporting by Retirement Benefit Plans*, the BSP clarified that Retirement Funds should adopt PAS 26 and measure all investments of retirement benefit accounts at fair value through profit or loss.

1.4 Approval of Combined Financial Statements

The combined financial statements of the TMF operated by TSG as of and for the year ended December 31, 2025 (including the comparative combined financial statements as of and for the year ended December 31, 2024 and the combined statement of financial position as of January 1, 2024) were authorized for issue by the BOD, through the Trust and Investment Committee (TIC) on March 25, 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these financial statements are summarized in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Combined Financial Statements

(a) *Statement of Compliance with the Guidelines in the Preparation of Audited Combined Financial Statements for Trust Institutions*

The combined financial statements of the TMF have been prepared in accordance with the Guidelines in the Preparation of Audited Financial Statements for Trust Institutions (the Guidelines) as set out under BSP Circular No. 653 (see Note 1.3). The Guidelines have adopted PFRS Accounting Standards except for the following items enumerated below and in the succeeding page.

- Presentation of combined statement of cash flows which is required as part of the basic financial statements under PFRS Accounting Standards but is not required under the Guidelines;

- Presentation of each component of income and expense recognized outside of profit or loss (other comprehensive income) in the combined statement of changes in accountabilities which is no longer allowed to be presented per PFRS Accounting Standards but is required by the Guidelines; and,
- Application of provisions of PFRS Accounting Standards only to trust accounts still outstanding as of the end of reporting period.

PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

Pursuant to the Guidelines, the audited combined financial statements shall comprise of the following:

- Combined statements of financial position as at the end of the period;
- Combined statements of income for the period;
- Combined statements of changes in accountabilities, which shall show a reconciliation of the net carrying amount at the beginning and end of the period of the following accounts: (i) principal; (ii) accumulated earnings; and (iii) net unrealized gain (loss) on available-for-sale (AFS) securities, separately disclosing the change in each of the foregoing accounts;
- Notes, which shall comprise a summary of material accounting policies and other disclosure requirements provided under PFRS Accounting Standards. Provided, that for purposes of complying with the disclosure of the nature and extent of risks arising from financial instruments as required under PFRS 7, *Financial Instruments: Disclosures*, disclosure statements may be made based on the general categories of contractual relationships (i.e., Unit Investment Trust Fund (UITF) - Trust, Institutional - Trust, and Individual - Trust; Other Fiduciary; Institutional - Agency, and Individual - Agency; and Special Purpose Trust) of the trust/investment management department of a bank with its clients.
- Combined statements of financial positions as at the beginning of the preceding comparative period when a trust/investment management department applies an accounting policy retrospectively, makes a retrospective restatement of items in the combined financial statements, or when it reclassifies items in the combined financial statements.

The combined statements of financial position, statements of income, statement of comprehensive income and statement of changes in accountabilities shall be presented for each of the general categories of contractual relationships of the trust/investment management department of a bank with its clients (see Note 1.2).

The combined financial statements of the TMF were prepared from the books of accounts maintained by TSG. The combined financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards, as prescribed for adoption by a trust institution under the Guidelines for each type of asset, accountability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *Presentation of Combined Financial Statements*

The combined financial statements of the TMF operated by the TSG are presented in accordance with BSP Circular No. 653 and PAS 1, *Presentation of Financial Statements*. The TMF present the combined statements of comprehensive income separate from the combined statements of income.

The TMF presents a third combined statements of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the combined statements of financial position at the beginning of the preceding period. The related notes to the third combined statements of financial position are not required to be disclosed.

In 2025, the TMF made prior period reclassifications that resulted in retrospective restatement of the principal and accumulated earnings (losses) accounts in the comparative 2024 combined statement of financial position. As a result of these reclassifications, the TMF is required to present a third combined statement of financial positions as at January 1, 2024.

(c) *Reclassification of Prior Period Balances*

In 2024, TSG's management initiated Trust Re-implementation projects aimed at addressing abnormal balances and ensuring the accuracy and consistency of accountabilities reported across trust accounts. These initiatives included a comprehensive review of historical posting practices, data clean-up procedures, and the correction of identified capital realignments.

A detailed review confirmed that the variances originated from legacy system posting errors, wherein principal withdrawals were incorrectly charged against accumulated earnings (losses) in the previous accounting system. These misclassifications were subsequently carried forward during the 2021 system migration, resulting in compounded inconsistencies in the succeeding years.

In 2025, the TSG corrected the presentation of these withdrawals by charging them directly against the related principal accounts. To ensure comparability and in accordance with PAS 1, *Presentation of Financial Statements*, TSG reclassified certain line items in the 2024 combined statement of financial position to conform with the current year's presentation. The reclassifications relate solely to the allocation between principal and accumulated earnings (losses) under accountabilities.

The effects of these reclassifications on the combined statements of financial position as at December 31, 2024 and January 1, 2024 are summarized as follows:

<i>(Amounts in PHP)</i>	<u>As Previously Reported</u>	<u>Effects of Reclassifications</u>	<u>As Restated</u>
December 31, 2024			
<i>Change in Accountabilities</i>			
Principal:			
UITF	310,141,162	(1,684,932)	308,456,230
Trust Institutional Accounts	857,487,741	(51,852,152)	805,635,589
Trust Individual Accounts	1,714,139,662	22,915,790	1,737,055,452
Other Fiduciary	406,229,756	(8,327,535)	397,902,221
Agency Institutional Accounts	156,751,763,330	(112,448,020,732)	44,303,742,598
Agency Individual Accounts	<u>30,434,349,204</u>	<u>(4,338,984,849)</u>	<u>26,095,364,355</u>
	<u>190,474,110,855</u>	<u>(116,825,954,410)</u>	<u>73,648,156,445</u>
Accumulated earnings (losses):			
UITF	(2,492,028)	1,684,932	(807,096)
Trust Institutional Accounts	25,126,157	51,852,152	76,978,309
Trust Individual Accounts	109,690,178	(22,915,790)	86,774,388
Other Fiduciary	8,002,853	8,327,535	16,330,388
Agency Institutional Accounts	(114,042,880,957)	112,448,020,732	(1,594,860,225)
Agency Individual Accounts	<u>(4,114,378,537)</u>	<u>4,338,984,849</u>	<u>224,606,312</u>
	<u>(118,016,932,334)</u>	<u>116,825,954,410</u>	<u>(1,190,977,924)</u>
January 1, 2024			
<i>Change in Accountabilities</i>			
Principal:			
UITF	250,627,997	(1,684,932)	248,943,065
Trust Institutional Accounts	1,058,716,423	(51,852,152)	1,006,864,271
Trust Individual Accounts	1,541,753,489	25,614,520	1,567,368,009
Other Fiduciary	603,316,286	(8,052,534)	595,263,752
Agency Institutional Accounts	156,434,963,348	(112,414,154,481)	44,020,808,867
Agency Individual Accounts	<u>27,167,970,233</u>	<u>(4,355,617,864)</u>	<u>22,812,352,369</u>
	<u>187,057,347,776</u>	<u>(116,805,747,443)</u>	<u>70,251,600,333</u>
Accumulated earnings (losses):			
UITF	(3,640,323)	1,684,932	(1,955,391)
Trust Institutional Accounts	(25,948,659)	51,852,152	25,903,493
Trust Individual Accounts	36,864,002	(25,614,520)	11,249,482
Other Fiduciary	(3,024,231)	8,052,534	5,028,303
Agency Institutional Accounts	(110,130,767,302)	112,414,154,481	2,283,387,179
Agency Individual Accounts	<u>(4,354,327,148)</u>	<u>4,355,617,864</u>	<u>1,290,716</u>
	<u>(114,480,843,661)</u>	<u>116,805,747,443</u>	<u>2,324,903,782</u>

These reclassifications had no impact on TMF's total accountabilities, on the combined statements of income, and combined statements of comprehensive income.

(d) *Functional and Presentation Currency*

The financial statements of the DDDFF operated by the TSG include accounts maintained in Philippine Peso (PHP) and United States Dollar (USD) which are their respective functional currencies. For financial reporting purposes, USD accounts are translated into PHP. All financial information presented in PHP represents absolute amounts except when otherwise indicated (see Note 3.1.c).

2.2 **Adoption of New and Amended PFRS Accounting Standards**

(a) *Effective in 2025 that is Relevant to the TMF*

The TMF adopted for the first time amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*, which are mandatorily effective for annual periods beginning on or after January 1, 2025. The amendments require entities to assess whether a currency is exchangeable and to determine a spot exchange rate when exchangeability is lacking. These amendments also mandate the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The amendments had no significant impact on the combined financial statements of the TMF.

(b) *Effective Subsequent to 2025 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2025, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and unless otherwise indicated, none of these are expected to have significant impact on the 'TMFs' combined financial statements:

- (i) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026). These amendments clarify and refine the classification and measurement guidance in PFRS 9, particularly when to derecognize financial liabilities (generally on settlement date) and introduce an accounting policy option to derecognize certain liabilities earlier when settled via electronic payment systems if specified conditions are met. These also clarify contractual cash flow assessments for financial assets with contingent [including Environmental, Social and Governance (ESG) goal-linked] features and provide guidance on non-recourse assets and contractually linked instruments. Correspondingly, PFRS 7 adds enhanced disclosures for instruments with contingent/ESG-linked terms and for equity instruments designated at fair value through other comprehensive income (FVOCI).
- (ii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

2.3 Basis of Combination

The combined financial statements comprise the separate financial statements of the TMF operated by the TSG for each of the general categories of contractual relationship namely: (a) UITF, (b) Institutional Trust, (c) Individual Trust, (d) Other Fiduciary, (e) Institutional Agency, and (f) Individual Agency. The separate accounts of each fund are prepared for the same reporting year using consistent accounting policies.

For purposes of the combined financial statement presentation, interfund investments of each group of trust and managed funds are not eliminated to reflect the assets and accountabilities at their recorded balances.

The combined financial statements and supplementary combining information reflect only the resources, accountabilities, income and expenses, and net profit or loss of the trust accounts still outstanding as of the end of the reporting period. The trust accounts which were terminated prior to the end of the reporting period are not included in the combined financial statements and supplementary combining information as of and for the period then ended.

2.4 Financial Instruments

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the TSG commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets are described below and in the succeeding page.

Financial Assets at Amortized Cost

Where the business model is to hold assets to collect contractual cash flows, TSG assesses whether the financial instruments' cash flows represent solely payment of principal and interest (SPPI). In making this assessment, TSG considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss (FVTPL).

The TMF financial assets at amortized cost are presented in the combined statement of financial position as Due from BSP, Deposits in Banks, Financial Assets at Amortized Cost, Loans and Receivables and Dividend receivable and Accrued interest receivables, which are recorded as part of Other Assets in the combined statements of financial position.

Financial Assets at Fair Value Through Other Comprehensive Income

At initial recognition, the TMF can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the TMF for trading or is mandatorily required to be classified as FVTPL. The TMF have designated certain equity instruments as at FVOCI on initial recognition for both reporting periods.

Financial Assets at Fair Value Through Profit or Loss

The TMF financial assets at FVTPL include government securities, corporate bonds, UITF/mutual funds and equity securities which are held for trading purposes or designated as at FVTPL.

The fair values of these financial assets are determined by reference to active market transactions or using a valuation technique where no active market exists.

PFRS 9, *Financial Instruments*, excludes retirement benefit funds from its scope. Hence, the assets of retirement benefit funds shall continue to be under the scope of PAS 26 wherein the assets are carried at fair value, regardless of the business model. In a letter addressed to the TOAP dated November 22, 2019, the BSP clarified that retirement funds should adopt PAS 26 and measure investments at FVTPL only.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(ii) *Effective Interest Rate Method (EIR) and Interest Income*

Interest income on financial assets measured at amortized cost and debt financial assets measured at FVOCI is recognized using the EIR method.

The TSG recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument; hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the EIR to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, then the calculation of interest income reverts to a gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to gross basis, even if the credit risk of the asset improves.

(iii) *Impairment of Financial Assets*

The TMF assess its expected credit losses (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost and debt securities measured at FVOCI. Recognition of credit losses or impairment is no longer dependent on the TMF identification of a credit loss event. Instead, the TMF consider a broader range of information in assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The TMF measures loss allowances at an amount equal to lifetime ECL, except for the following financial instruments which are measured as 12-month ECL:

- all current loan accounts, except restructured loans;
- debt securities that are identified to have 'low credit risk' at the reporting date; and,
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for credit losses is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as 'Stage 1' financial instruments). Unless there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as 'Stage 2' financial instruments). 'Stage 2' financial instruments also include those loan accounts and facilities where the credit risk has improved and have been reclassified from 'Stage 3'. A lifetime ECL shall be recognized for 'Stage 3' financial instruments, which include financial instruments that are subsequently credit-impaired, as well as purchased or originated credit impaired assets.

The TSG's definition of credit risk and information on how credit risk is mitigated are disclosed in Note 4.3.

(iv) *Measurement of ECL*

The measurement of the ECL reflects: (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (ii) the time value of money; and, (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The detailed ECL measurement as determined by the TSG is disclosed in Note 4.3.4.

(v) *Derecognition of Financial Assets*

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the TMF neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the TMF recognize its retained interest in the asset and an associated liability for amounts it may have to pay.

If the TMF retain substantially all the risks and rewards of ownership of a transferred financial asset, the TMF continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) *Classification and Measurement of Financial Liabilities*

Financial liabilities, which include other accountabilities (except tax-related payables), are recognized when the TMF become a party to the contractual terms of the instrument.

2.5 Investment Properties

Investment property consists of property held to earn rentals and/or for capital appreciation but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. These investments are initially measured at cost plus any direct costs, reduced by accumulated depreciation (except for land which is carried at cost) and any allowance for impairment losses, if any. The allowance for impairment losses is set up by a charge against the earnings of the TMF.

The TSG applies the cost model in accounting for investment properties other than those held by certain institutional accounts (i.e. pre-need, employment benefit accounts such as retirement and pension funds with long-term commitment and insurance companies).

Depreciation is computed on a straight-line basis over the estimated useful life (EUL) of 10 years.

In the case of pre-need companies under Institutional Trust accounts, investments properties are accounted for using the fair value model as determined by independent appraisers on a periodic basis. Gains or losses arising from changes in the fair values of these investment properties are recognized in the combined statements of income in the period they arise. The carrying amounts recognized in the combined statements of financial position reflect the prevailing market conditions at the end of each reporting period.

2.6 *Income and Expense Recognition*

A contract with a customer that results in a recognized financial instrument in the TMF combined financial statements may be partially within the scope of PFRS 9 and partially within the scope of PFRS 15, *Revenue from Contracts with Customers*. In such case, the TMF first apply PFRS 9 to separate and measure the part of the contract that is in-scope of PFRS 9, and then apply PFRS 15 to the residual part of the contract. Expenses and costs, if any, are recognized in profit or loss upon utilization of the assets or services or at the date these are incurred. All finance costs are reported in profit or loss on accrual basis.

Expenses are recognized in the combined statement of comprehensive income upon utilization of the assets or services or at the date these are incurred.

2.7 *Principal Fund Balance*

Principal consists of pooled contributions from investors, reduced by the amounts of withdrawals.

Accumulated income (loss) includes all current and prior period results of operations as reported in the combined statements of income and combined statements of changes in accountabilities, reduced by the amount of income withdrawals.

Net unrealized fair value gains (losses) on financial assets at FVOCI consists of accumulated gains (losses) arising from the mark-to-market valuation of financial assets at FVOCI.

2.8 *Impairment of Non-financial Assets*

In assessing impairment, TSG estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the combined financial statements in conformity with the Guidelines requires the TSG, to make judgments and estimates that affect the reported amounts of assets, liabilities, income, 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.

3.1 Critical Management Judgments in Applying Accounting Policies

(a) Application of ECL to Debt Securities at Amortized Cost and at FVOCI

The TMF use external benchmarking and historical loss rates to calculate ECL for all debt securities carried at amortized cost and FVOCI. The allowance for impairment is based on the ECL associated with the PD of a financial instrument in the next 12 months, unless there has been a significant increase in credit risk since origination of the financial instrument, in such case, a lifetime ECL for the instrument is recognized.

The TSG has established a policy to perform an assessment, at the end of each reporting period, whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

(b) Evaluation of Business Model Applied and Testing the Cash Flow Characteristics of Financial Assets in Managing Financial Instruments

The TSG developed business models which reflect how it manages the TMF portfolio of financial instruments. These business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the TSG) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the TSG evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the TSG for the TMF (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Funds' investment, trading and lending strategies. Furthermore, the TSG assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding.

The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the TSG assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion.

The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the TSG considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

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

(c) *Determination of Functional Currency*

The TSG exercised its judgment in determining the functional currency of the TMF such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant thereto. In making this judgment, the TSG considered the following:

- (i) the currency that mainly influences sales prices for financial instruments and services (this will often be the currency in which the sales price for its financial instruments and services are denominated and settled);
- (ii) the currency in which funds from financing activities are generated; and
- (iii) the currency in which receipts from operating activities are usually retained.

Based on the economic substance of the underlying circumstances relevant to the TMF, the functional currencies of the TMF have been determined to be PHP and USD. These are the currencies of the primary economic environment in which the TSG operates. Thus, mainly influence the income and costs arising from the TMF's operations.

(d) *Recognition of Provisions and Contingencies*

Provisions are recognized when the TMF has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the TSG expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is charged to current operations, net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures are presented in Note 18.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost and debt securities at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behaviour (e.g., likelihood of other party defaulting and the resulting losses). However, when the initially computed loss rate is below 1.00% under the optimistic, pessimistic, and probability-weighted scenarios, the final loss rate to be used is 1.00%. Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.3.4.

(b) Fair Value Measurement for Financial Instruments

The TSG applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires the TSG to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, the TSG uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the TMF trading and investment securities at FVTPL and at FVOCI and the amounts of fair value changes recognized during the years on those securities are disclosed in Notes 8 and 9, respectively.

(c) *Impairment of Non-financial Assets*

At each reporting date, the TSG assesses whether there is any indication of impairment on its investment properties or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the TSG makes a formal estimate of the recoverable amount. The recoverable amount is the fair value less costs to sell of the investment properties and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating units (CGU) to which it belongs. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged against operations in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimated used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the combined statements of income.

As at December 31, 2025 and 2024, no allowance for impairment of investment properties was recognized in the TMF's books.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The TSG risk management framework seeks to foster the continuous monitoring of the risk environment and an integrated evaluation of risks and their interdependencies. It includes the responsibility for exercising and implementing risk approval instructions and effective monitoring of all risks such as credit, market, and liquidity risk.

The TSG believes that effective risk management shall not only minimize potential or actual losses but will likewise optimize earnings. Its risk mission and objectives target periodic, consistent and accurate measurement of risks for more effective management. It is also an objective to always consider risk and return on all transactions and exposures to ensure adequate returns on principal contributions. Risk mitigation strategies form part of risk management activities.

As duly constituted and authorized by the BOD, the TIC has management oversight for establishing and maintaining a sound risk management system for the TSG. The TSG is responsible for developing and implementing adequate policies, procedures and practices for trust and fiduciary activities, which are consistent with the objectives, risk tolerances and intent of the BOD. Likewise, the TIC ensures that the policies and procedures consistently address material areas of risk, and are reviewed frequently, and modified when necessary to remain appropriate, sound and responsive to significant changes in the TMF's activities. Moreover, the TIC approves and reviews the institutional tolerance for risks such as setting counterparty limits, investment limits, and trader's limits, business strategies and risk philosophy.

4.1 Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes. The exposure of the TMF to market risk emanates from its foreign exchange transactions, debt and equity securities.

VAR serves as the TSG'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 calculation of VAR was implemented by the TSG starting 2025, covering discretionary accounts, directional accounts, and UITFs. The methodology utilized by the TSG is based on the widely used historical simulation method.

The table below summarizes the results of the TSG's VAR calculations as at December 31, 2025.

	<u>VAR%</u>
<u>2025</u>	
Per account type:	
Discretionary	3.81%
Directional	3.24%
Retirement*	4.75%
Per UITF:	
DDFF	0.20%
PMMF	0.65%
DPBF	0.04%
DDBF	2.44%

** Values under Retirement Funds currently cover discretionary retirement funds under TSG.*

4.1.1 Foreign Currency Risk

Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at December 31, 2025 and 2024, the TMF's exposure to foreign currency risk is minimal.

The table below summarizes the TSG's exposure to foreign exchange risk as at December 31, 2025 and 2024. Included in the table are the TSG's assets and liabilities at carrying amounts in USD.

	<u>2025</u>	<u>2024</u>
Assets		
Deposits in banks	19,784,006	20,985,917
Financial assets at FVTPL	1,307,497	1,277,387
Financial assets at FVOCI	13,697,035	13,951,257
Loans and receivables	<u>282,158</u>	<u>568,422</u>
Total Assets	35,070,696	36,782,983
Other Accountabilities	<u>82,940</u>	<u>157,316</u>
Net Exposure	<u>35,153,636</u>	<u>36,940,299</u>
In PHP	<u>2,066,682,260</u>	<u>2,118,686,520</u>

4.1.2 Interest Rate Risk

Interest rate risk refers to the sensitivity of fixed-income securities to interest rate fluctuations. The TSG uses duration which measures the sensitivity of the price of a debt instrument to a change in interest rate to quantify and manage this risk. The TSG controls the level of interest risk it undertakes by setting limits on duration of portfolios.

4.2 Liquidity Risk

Liquidity risk is the risk due to inability of the TMF to sell or convert assets into immediate cash or instances where conversion to cash is possible but at a loss. The TMFs' other accountabilities amounting to P326.41 million and P306.99 million as of December 31, 2025 and 2024, respectively, are due within one year from the end of the reporting period.

4.3 Credit Risk

Credit risk is the risk that the counterparty in a transaction may default, and arises from investing and other activities undertaken by the TMF. The TSG manages credit risk through a system of policies and authorities that govern the processes and practices of all credit originating and borrowing relationship management units.

The TSG shares with and follows the credit and risk management policies of the Bank. The TSG'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 in the circulars issued by the 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. Moreover, the TSG seeks approval from the TIC with regard to credit risk parameters and counterparty limits of trust investments.

The Internal Credit Risk Rating System (ICRRS) assigns a score to each account based on a combination of quantitative and qualitative factors. The scores assigned to each obligor is equivalent to the risk associated to each individual. The scoring model is reviewed and validated by external parties regularly to ensure that the model is risk ranking properly. The risk rating is used as one of the measures of the Bank's risk appetite and as a factor in impairment calculation.

Based on the evaluation of the facility risk factor (FRF), the borrower risk rating (BRR) can be upgraded or downgraded to come up with the final credit risk rating (CRR). Such CRR is eventually used in the determination of the ECL.

Generally, the maximum credit risk exposure of financial assets December 31, 2025 and 2024 is the carrying amount of the financial assets as shown in the combined statements of financial position. The maximum exposure is shown at gross, before the effect of mitigation through the use of any master netting and collateral agreement.

Maximum exposures for financial instruments as shown below represent the maximum risk exposure as at respective reporting dates but not the maximum risk exposure that could arise in the future as a result of changes in value. All commercial loans are deemed clean.

(Amounts in PHP)	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Due from BSP	-	-	47,486,272	-	-	-	47,486,272
Deposit in banks	17,948,719	114,867,913	35,394,068	331,158,884	602,750,436	2,606,670,372	3,708,790,392
Financial assets at FVTPL	780,084,748	583,012,620	113,131,264	-	1,502,703,017	192,555	2,979,124,204
Financial assets at FVOCI	-	35,072,419	1,236,512,256	92,745,638	5,558,462,578	13,051,604,051	19,974,396,942
Financial assets at amortized cost	-	-	-	-	3,500,000,000	-	3,500,000,000
Loans and other receivables	790,774	6,728,999	20,524,683	44,947,236	19,628,100,509	2,927,597,262	22,628,689,463
Others assets*	38,013	272,223	1,191,534	-	44,397,816	90,525,131	136,424,717
	<u>798,862,254</u>	<u>739,954,174</u>	<u>1,454,240,077</u>	<u>468,851,758</u>	<u>30,836,414,356</u>	<u>18,676,589,371</u>	<u>52,974,911,990</u>
2024							
Due from BSP	-	-	45,886,272	-	-	-	45,886,272
Deposit in banks	46,659,774	142,057,605	67,981,892	252,893,532	1,504,307,735	4,021,442,352	6,035,342,890
Financial assets at FVTPL	243,296,072	462,403,171	-	-	1,471,173,907	190,365	2,177,063,515
Financial assets at FVOCI	-	30,173,718	1,338,784,881	169,277,990	5,059,022,587	10,981,994,524	17,579,253,700
Financial assets at amortized cost	-	-	-	-	3,500,000,000	-	3,500,000,000
Loans and other receivables	2,444,164	6,210,412	15,530,548	46,553,785	25,455,825,511	3,777,405,832	29,303,970,252
Others assets*	36,657	351,268	1,230,360	-	45,784,987	88,604,185	136,007,457
	<u>292,436,667</u>	<u>641,196,174</u>	<u>1,469,413,953</u>	<u>468,725,307</u>	<u>37,036,114,727</u>	<u>18,869,637,258</u>	<u>58,777,524,086</u>

*Excludes other miscellaneous assets

4.3.1 Exposure to Credit Risk

Credit risk arises from the possibility that a borrower may fail to meet its contractual obligations. In compliance with BSP requirements, the Group employs a credit risk rating system aligned with global standards. Borrowers are evaluated independently based on financial condition, industry outlook, and management quality. Financial condition is assessed through ratio analysis using the most recent financial information. Industry analysis considers significant political, regulatory, and technological developments affecting the borrower’s business. Management quality reflects the borrower’s experience, strategy, and governance practices. These factors are assigned corresponding weights to arrive at an overall borrower risk rating:

Section	Maximum Points	Section Rating
Financial Condition	240	40%
Industry Analysis	210	30%
Management Quality	150	30%
Total	600	100%

There are several rating factors per section which can earn points depending on the four quality judgment levels as follows:

Good	- 30 points
Satisfactory	- 20 points
Still acceptable	- 10 points
Poor	- 0 point

If there is no available information for a specific factor, a rating of “Poor” will be given.

The BRR is used to determine the credit quality of the TSG’s corporate accounts. Loan accounts are classified according to a 1-10 rating scale based on BRR results, as follows:

Category	Final Score	Equivalent Risk Rating	Calculated BRR
High Grade	>177	Excellent	1
	150 - 176	Strong	2
	123 - 149	Good	3
Standard Grade	96 - 122	Satisfactory	4
	68 - 95	Acceptable	5
	<68	Watchlist	6
Substandard Grade		Special Mention	7
		Substandard	8
Impaired		Substandard	8
		Doubtful	9
		Loss	10

High Grade or accounts with BRR of 1-3 are loans where the risk of the Bank are good to excellent in terms of risk quality and where the likelihood of the non-payment of obligation is less likely to happen.

Standard Grade or accounts with BRR of 4-6 are loans where the risk of the Bank ranges from satisfactory to acceptable with some form of weakness and where repayment capacity needs to be watched.

Substandard Grade or accounts with BRR of 7-8 are loans still in current status but observed to have potential weaknesses and require a closer observation than the accounts under the Standard rating since if weaknesses are uncorrected, repayment of the loan may be affected increasing the credit risk to the Bank.

Past due but not impaired are those accounts for which contractual principal and interest payments were past due but the Bank still believes that impairment is not appropriate on the basis of the level of security or collateral available and/or the stage of collection of amounts owed to the Bank.

Impaired accounts are loans classified by the Bank as Substandard, Doubtful and Loss where there are experiences of past due accounts and there are well-defined weaknesses where collection or liquidation of obligation may be or is already jeopardized.

The BRR can be subject to an upgrade/downgrade on the basis of the following:

Group Affiliation:

- (a) When a borrower belongs to a group of companies, it can be upgraded up to the rating of the parent company provided that the parent company has a BRR of 4 or better.
- (b) If the BRR of the subsidiary is better than the parent, a downgrade can be considered especially if the parent has a BRR of 5 or worse.
- (c) If the parent has a BRR of 5 or lower and the subsidiary was also rated 5 or worse, it can retain its own rating.
- (d) If there are criteria such as the medium and long-term outlook, special risks that can grievously affect the company and outweigh the other criteria, a possible downgrade can be considered.
- (e) Companies with rapid expansion without a strong driving force or only on account of a single customer are also potential for downgrading.

Facility Risk Factor:

- (a) The FRF is an adjustment in the BRR that considers the transactional influence. It takes into account the quality of each facility. It is important to note that a Borrower can have only 1 BRR but several FRF for its multiple facilities. FRF evaluates the different security arrangements; the quantity and the quality of the collateral cover for each facility.
- (b) Collaterals are assessed at the net realizable value in a liquidation scenario. In evaluating the worthiness of the collateral, the quality of the documentation and the possible subordination of the Bank's claim should also be considered.

4.3.2 Risk Concentrations of the Maximum Exposure to Credit Risk

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

The distribution of commercial loans by industry sector of the TMF, before taking into account collateral held or other credit enhancements (maximum exposure) follows:

	2025		2024	
	Amount in Php	%	Amount in Php	%
Holding company	11,800,989,375	54.9	12,433,192,911	43.7
Manufacturing (various industries)	3,508,904,498	16.3	1,969,000,000	6.9
Transportation and storage	2,130,500,000	9.9	2,071,900,000	7.3
Financial and insurance activities	1,832,407,074	8.5	919,618,020	3.2
Electricity, gas, steam and air-conditioning supply	1,297,042,677	6.1	10,253,666,337	36.1
Accommodation and food service activities	818,914,217	3.8	568,000,000	2.0
Administrative and support service activities (real estate)	81,700,000	0.4	129,200,000	0.5
Information communications technology	-	0.0	68,000,000	0.2
Others	26,321,433	0.1	28,210,648	0.1
	21,496,779,274	100.0	28,440,787,916	100.0

BSP considers that concentration of credit risk exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio. The TIC constantly monitors the credit risk concentration of the TMF.

4.3.3 Credit Quality Analysis

Credit risk rating is an integral part of TSG's management of credit risk. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. An ICRRS for the TMF was approved by the TIC on June 26, 2018 and by the BOD on July 31, 2018. This system aims to institutionalize a standard borrower risk rating based on the borrower's creditworthiness determined by both quantitative and qualitative factors in order to maintain an accurate and consistent risk rating across its credit portfolio. Risk ratings are assessed annually for non-impaired and impaired accounts.

The table below and the succeeding page shows the credit quality of financial assets of the TMF presented subject to impairment by ECL stages at combined level:

<i>(Amounts in PhP)</i>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
2025				
Due from BSP				
High grade	<u>47,486,272</u>	<u>-</u>	<u>-</u>	<u>47,486,272</u>
Deposits in Banks				
High grade	3,708,790,392	-	-	3,708,790,392
Loss allowance	<u>(26,207,503)</u>	<u>-</u>	<u>-</u>	<u>(26,207,503)</u>
Carrying amount	<u>3,682,582,889</u>	<u>-</u>	<u>-</u>	<u>3,682,582,889</u>
FVOCI Debt Securities				
High grade	19,994,948,505	-	-	19,994,948,505
Loss allowance	<u>(201,551,563)</u>	<u>-</u>	<u>-</u>	<u>(201,551,563)</u>
Carrying amount	<u>19,793,396,942</u>	<u>-</u>	<u>-</u>	<u>19,793,396,942</u>
Loans and Receivables				
Standard grade	5,235,357,075	13,776,294,015	2,485,128,184	21,496,779,274
Past due or impaired	<u>-</u>	<u>-</u>	<u>44,084,703</u>	<u>44,084,703</u>
Gross carrying amount	5,235,357,075	13,776,294,015	2,529,212,887	21,540,863,977
Loss allowance	<u>(52,353,571)</u>	<u>(380,774,183)</u>	<u>(1,584,212,887)</u>	<u>(2,017,340,641)</u>
Carrying amount	<u>5,183,003,504</u>	<u>13,395,519,832</u>	<u>945,000,000</u>	<u>19,523,523,336</u>
AC Debt Securities				
High grade	3,500,000,000	-	-	3,500,000,000
Loss allowance	<u>(35,000,000)</u>	<u>-</u>	<u>-</u>	<u>(35,000,000)</u>
Carrying Amount	<u>3,465,000,000</u>	<u>-</u>	<u>-</u>	<u>3,465,000,000</u>
Other Assets*				
Unrated	<u>136,424,717</u>	<u>-</u>	<u>-</u>	<u>136,424,717</u>
Total carrying amount	<u>32,490,894,324</u>	<u>13,395,519,832</u>	<u>945,000,000</u>	<u>46,831,414,156</u>
<i>*Excludes other miscellaneous assets</i>				

<i>(Amounts in Pbp)</i>	Stage 1	Stage 2	Stage 3	Total
2024				
Due from BSP				
High grade	45,886,272	-	-	45,886,272
Carrying amount	<u>45,886,272</u>	<u>-</u>	<u>-</u>	<u>45,886,272</u>
Deposits in Banks				
High grade	6,035,342,890	-	-	6,035,342,890
Loss allowance	(53,200,876)	-	-	(53,200,876)
Carrying amount	<u>5,982,142,014</u>	<u>-</u>	<u>-</u>	<u>5,982,142,014</u>
FVOCI Debt Securities				
High grade	17,579,142,900	-	-	17,579,142,900
Loss allowance	(181,175,104)	-	-	(181,175,104)
Carrying amount - fair value	<u>17,397,967,796</u>	<u>-</u>	<u>-</u>	<u>17,397,967,796</u>
Loans and Receivables				
Standard grade	5,657,718,020	18,445,532,895	4,337,537,000	28,440,787,915
Past due or impaired	-	-	44,084,703	44,084,703
Gross carrying amount	5,657,718,020	18,445,532,895	4,381,621,703	28,484,872,618
Loss allowance	(56,577,180)	(700,112,539)	(1,738,807,661)	(2,495,497,380)
Carrying amount	<u>5,601,140,840</u>	<u>17,745,420,356</u>	<u>2,642,814,042</u>	<u>25,989,375,238</u>
AC Debt Securities				
High grade	3,500,000,000	-	-	3,500,000,000
Loss allowance	-	-	-	-
Carrying Amount	<u>3,500,000,000</u>	<u>-</u>	<u>-</u>	<u>3,500,000,000</u>
Other Assets*				
Unrated	<u>136,007,456</u>	<u>-</u>	<u>-</u>	<u>136,007,456</u>
Total carrying amount	<u>26,635,116,093</u>	<u>17,745,420,356</u>	<u>2,598,729,343</u>	<u>47,023,350,491</u>

*Excludes other miscellaneous assets

4.3.4 Amounts Arising from Expected Credit Losses

The TSG measures ECL in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. PFRS 9 requires a loss allowance to be recognized at an amount equal to either the 12-month ECL or lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument, whereas 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date.

The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using PD, LGD and EAD.

(a) *Staging Assessment*

(i) *Stage 1*

Comprised of performing financial instruments which have not experienced SICR since initial recognition or have low credit risk as of reporting date. This stage recognizes a 12-month ECL for the financial instruments categorized under this group.

(ii) *Stage 2*

Comprised of under-performing financial instruments which have experienced a SICR since initial recognition, but do not have objective evidence of impairment. This stage recognizes a lifetime ECL for the financial instruments categorized under this group.

(iii) *Stage 3*

Comprised of non-performing financial instruments with one or more loss events occurring since the original recognition or assets with objective evidence of impairment at reporting date. Financial instruments falling within this stage have objective evidence of impairment thus requiring the recognition of lifetime ECL.

(b) *Credit Risk at Initial Recognition*

The TMF makes full use of its Internal Credit Risk Rating System (ICRRS) for corporate loans and credit scorecards for consumer loans to determine the credit risk of exposures at initial recognition. The ICRRS is devised to assess the level of risk associated with each borrower using a combination of both quantitative and qualitative factors. Subsequent credit assessments and approvals are also considered in determining the credit risk. On the other hand, credit scorecard is a tool used to evaluate the credit risk associated to individual customers. Customer-specific factors and internal data are taken into consideration to calculate a credit score.

(c) *Significant Increase in Credit Risk*

The definition of a SICR varies by portfolio where the determination of the change in credit risk includes both the quantitative and qualitative factors.

The TSG applies the movement in its Corporate Loan account's credit risk rating and assessment of breach in watchlist triggers to indicate a possible significant credit downgrade or upgrade through a risk rating matrix. For the remaining portfolios, the TSG considers that a SICR occurs no later than when an asset is more than 30 days past due. The total number of days past due is determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Furthermore, the TSG's internal credit assessment may consider a counterparty to have a SICR since initial recognition if it is identified to have well-defined credit weaknesses. These may include adverse changes in the financial, managerial, economic and/or political nature of a business. Credit weakness can be established by an unsatisfactory track record that merits close monitoring and attention from management.

If there is evidence that there is no longer a SICR relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

(d) *ECL Parameters and Methodologies*

ECL is a function of the following credit risk parameters presented below and in the succeeding page:

(i) *Probability of Default (PD)*

The PD is the measure of likelihood that a borrower will be unable to settle his obligation/s on time and in full over a given time period, either over the next 12 months (12-month PD) or over the remaining life (Lifetime PD) of the loan obligation. The TSG currently uses its ICRRS, behavioral scorecard and other relevant drivers of default to segment exposures with homogenous risk characteristics.

Point-in-Time (PiT) PD calibration was done to reflect the current trends in business and credit cycle. Macroeconomic forecasts were incorporated to come up with PiT PDs that are unbiased and forward-looking projections of future default risk.

(ii) *Loss Given Default (LGD)*

LGD measures the percentage amount of credit losses incurred and not recovered at the time of default. LGD estimation is based on historical cash flow recoveries. Calculation of the LGD is adjusted for some assets to consider cashflow recoveries on collateral. For some financial assets, the TSG supplemented internal assessments with regulatory thresholds to arrive at the LGD assumption. LGD estimation also considered the present value calculation and cost adjustment in determining the recoveries.

(iii) Exposure at Default (EAD)

EAD is defined as the outstanding amount of credit exposure at the time of default. EAD is estimated by modelling the historical data on both the actual drawn and undrawn amounts for each credit facility. When estimating EAD, several factors are taken into account, including the length of time for which the estimation is being made, the predicted cash flows until the point of default, total loan tenure, and the remaining duration of the loan. This provides a more robust estimate of the total amount the TSG is exposed to.

(e) Definition of Default

The TSG generally classifies a financial instrument as in default when it is credit impaired, or becomes past due on its contractual payments for more than 90 days, considered non-performing, under litigation or is classified as doubtful or loss. In assessing whether a borrower is in default, the TSG considers indicators that are qualitative (i.e. breach of covenant) and quantitative (i.e. overdue status and non-payment on another obligation of the same borrower/issuer to the TSG). An instrument is considered to be no longer in default (i.e. to have cured) when there is sufficient evidence to support that full collection of principal and interests is probable and payments are received for at least six (6) months. This definition is consistent with the definition of non-performing loans (NPL) under Section 304 of Manual of Regulations for Banks (MORB), Past Due Accounts and Non-Performing Loans.

(f) Forward-looking Information

The TSG incorporates forward-looking information into both its assessment of whether the credit risk of a financial asset has increased significantly since its initial recognition and its measurement of ECL.

The TSG enhanced its ECL methodology by incorporating multiple future macroeconomic expectations in order to estimate credit losses on the basis of probability-weighted outcomes. The TSG has performed statistical analysis of historical data to determine which macroeconomic variables (MEVs) are correlated with the performance of specific loan portfolios. The MEVs considered were obtained using publicly available sources such as BSP and Philippine Statistical Association. A broad range of forward looking information are assessed as economic inputs. Based on historical data analysis, the TSG found significant relationships between MEVs and credit risk which vary by product type. Forward looking MEVs used include Remittances, Stock Exchange Index, Consumer Outlook, Foreign Exchange rates and Gross Domestic Product (Agriculture). The selected MEVs were confirmed using experienced credit judgment. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

(g) *Restructured Loans*

Where possible, the TSG seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met, and the future payments are likely to occur. When the loan has been restructured but not derecognized, the TSG also reassesses whether there has been a SICR and considers whether the assets should be classified as Stage 3. If the restructuring terms are substantially different, the loan is derecognized, and a new 'asset' is recognized at fair value using the revised EIR.

(b) *Write-offs*

Financial assets are written off either partially or in full when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the TSG determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included under Other Income in the combined statements of income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the TSG's procedures for recovery of amounts due.

(i) *Loss Allowance*

Movements in ECL allowances in 2025 and 2024 on financial assets are summarized as follows:

<i>(Amounts in PHP)</i>	Trust			Agency		Combined
	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
2025						
Deposits in banks (Note 7)						
ECL allowance, January 1, 2025	-	197,461	2,097,608	13,739,220	37,680,083	53,714,372
Provision for credit and impairment loss	-	(116,418)	388,765	(10,508,011)	(17,271,205)	(27,506,869)
ECL allowance, December 31, 2025	-	81,043	2,486,373	3,231,209	20,408,878	26,207,503
Loans and other receivables (Note 11)						
ECL allowance, January 1, 2025	52,601	155,251	44,109,394	2,564,041,003	94,569,878	2,702,928,127
Provision for credit and impairment loss	(40,704)	(105,252)	(24,691)	(328,487,669)	(56,929,173)	(385,587,489)
ECL allowance, December 31, 2025	11,897	49,999	44,084,703	2,235,553,334	37,640,705	2,317,340,638
Financial assets at FVOCI (Note 9)						
ECL allowance, January 1, 2025	309,645	13,363,912	1,691,070	52,259,566	113,550,910	181,175,103
Provision (reversal) of credit and impairment loss	45,228	(1,083,550)	(766,039)	3,827,921	18,528,003	20,551,563
ECL allowance, December 31, 2025	354,873	12,280,362	925,031	56,087,487	132,078,913	201,726,666
Financial assets at amortized cost (Note 10)						
ECL allowance, December 31, 2025	-	-	-	35,000,000	-	35,000,000

<i>(Amounts in PHP)</i>	Trust			Agency		Combined
	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
<u>2024</u>						
Deposits in banks (Note 7)						
ECL allowance, January 1, 2024	34,761	175,791	2,340,860	21,318,587	26,329,626	50,199,625
Provision (reversal) of credit and impairment loss	<u>(34,761)</u>	<u>21,670</u>	<u>(243,252)</u>	<u>(7,579,367)</u>	<u>11,350,457</u>	<u>3,514,747</u>
ECL allowance, December 31, 2024	<u>-</u>	<u>197,461</u>	<u>2,097,608</u>	<u>13,739,220</u>	<u>37,680,083</u>	<u>53,714,372</u>
Loans and other receivables (Note 11)						
ECL allowance, January 1, 2024	1,937	151,718	44,109,591	2,839,150,084	88,384,149	2,971,797,479
Provision (reversal) of credit and impairment loss	<u>50,664</u>	<u>3,533</u>	<u>(197)</u>	<u>(275,109,081)</u>	<u>6,185,729</u>	<u>(268,869,352)</u>
ECL allowance, December 31, 2024	<u>52,601</u>	<u>155,251</u>	<u>44,109,394</u>	<u>2,564,041,003</u>	<u>94,569,878</u>	<u>2,702,928,127</u>
Financial assets at FVOCI (Note 9)						
ECL allowance, January 1, 2024	234,387	11,688,470	1,210,961	38,090,780	96,965,772	148,190,370
Provision for credit and impairment loss	<u>75,258</u>	<u>1,675,443</u>	<u>480,109</u>	<u>14,168,786</u>	<u>16,585,137</u>	<u>32,984,733</u>
ECL allowance, December 31, 2024	<u>309,645</u>	<u>13,363,913</u>	<u>1,691,070</u>	<u>52,259,566</u>	<u>113,550,909</u>	<u>181,175,103</u>
Financial assets at amortized cost (Note 10)						
ECL allowance, December 31, 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000,000</u>	<u>-</u>	<u>35,000,000</u>

The ECL allowance on financial assets at FVOCI is included in the Net unrealized (losses)gains on financial assets at FVOCI in the statements of financial position (see Note 10).

As at December 31, 2025 and 2024, there were no ECL allowance for financial assets classified in Due from BSP and Other assets in the combined statements of financial position.

5. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The following tables summarize the carrying amounts and fair values of financial assets and financial liabilities presented in the combined statements of financial position:

	Trust						Other		Agency				Combined	
	UITF		Institutional		Individual		Fiduciary		Institutional		Individual		Carrying Amounts	Fair Values
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values		
<i>(Amounts in PHP)</i>														
2025:														
Financial Assets:														
Financial assets at FVTPL	794,904,549	794,904,549	762,535,395	762,535,395	828,534,286	828,534,286	16,981,799	16,981,799	10,289,786,936	10,289,786,936	8,433,191,123	8,433,191,123	21,125,934,088	21,125,934,088
Financial assets at FVOCI	-	-	35,072,419	35,072,419	1,236,512,256	1,236,512,256	92,745,638	92,745,638	5,558,462,578	5,558,462,578	13,051,604,051	13,051,604,051	19,974,396,942	19,974,396,942
Financial assets at amortized cost:														
Due from banks and BSP	17,948,719	17,948,719	114,867,913	114,867,913	82,799,297	82,799,297	328,672,511	328,672,511	599,519,227	599,519,227	2,586,261,494	2,586,261,494	3,730,069,161	3,730,069,161
Investment at amortized cost - net	-	-	-	-	-	-	-	-	3,465,000,000	3,465,000,000	-	-	3,465,000,000	3,465,000,000
Loans and other receivables - net	790,774	890,774	6,717,102	4,717,102	20,474,684	20,673,889	862,533	862,533	17,392,547,175	18,111,427,805	2,889,956,557	2,779,445,269	20,311,348,825	20,918,017,372
	<u>813,644,042</u>	<u>813,744,042</u>	<u>919,192,829</u>	<u>917,192,829</u>	<u>2,168,320,523</u>	<u>2,168,519,728</u>	<u>439,262,481</u>	<u>439,262,481</u>	<u>37,305,315,916</u>	<u>38,024,196,546</u>	<u>26,961,013,225</u>	<u>26,850,501,937</u>	<u>68,606,749,016</u>	<u>69,213,417,563</u>
Financial Liability -														
Other accountabilities	<u>1,981,082</u>	<u>1,981,082</u>	<u>6,513,987</u>	<u>6,513,987</u>	<u>3,075,692</u>	<u>3,075,692</u>	<u>17,153,961</u>	<u>17,153,961</u>	<u>66,519,597</u>	<u>66,519,597</u>	<u>27,155,335</u>	<u>27,155,335</u>	<u>122,399,654</u>	<u>122,399,654</u>
2024:														
Financial Assets:														
Financial assets at FVTPL	259,813,905	259,813,905	646,508,018	646,508,018	365,138,305	365,138,305	2,132,082	2,132,082	9,847,930,824	9,847,930,824	7,400,112,964	7,400,112,964	18,521,636,098	18,521,636,098
Financial assets at FVOCI	-	-	30,173,718	30,173,718	1,338,784,881	1,338,784,881	169,277,990	169,277,990	5,059,022,587	5,059,022,587	10,981,994,524	10,981,994,524	17,579,253,700	17,579,253,700
Financial assets at amortized cost:														
Due from banks and BSP	46,659,774	46,659,774	142,057,605	142,057,605	113,670,703	113,670,703	250,795,924	250,795,924	1,490,568,515	1,490,568,515	3,983,762,269	3,983,762,269	6,027,514,790	6,027,514,790
Investment at amortized cost - net	-	-	-	-	-	-	-	-	3,465,000,000	3,465,000,000	-	-	3,465,000,000	3,465,000,000
Loans and other receivables - net	2,444,164	2,944,164	6,157,811	5,157,811	15,375,297	15,965,297	2,444,391	2,444,391	22,891,784,508	23,891,784,508	3,682,835,954	3,682,835,954	26,601,042,125	27,601,132,125
	<u>308,917,843</u>	<u>309,417,843</u>	<u>824,897,152</u>	<u>823,897,152</u>	<u>1,832,969,186</u>	<u>1,833,559,186</u>	<u>424,650,387</u>	<u>424,650,387</u>	<u>42,754,306,434</u>	<u>43,754,306,434</u>	<u>26,048,705,711</u>	<u>26,048,705,711</u>	<u>72,194,446,713</u>	<u>73,194,536,713</u>
Financial Liability -														
Other accountabilities	<u>1,390,668</u>	<u>1,390,668</u>	<u>5,528,224</u>	<u>5,528,224</u>	<u>3,172,130</u>	<u>3,172,130</u>	<u>8,773,214</u>	<u>8,773,214</u>	<u>89,062,905</u>	<u>89,062,905</u>	<u>43,583,715</u>	<u>43,583,715</u>	<u>151,510,856</u>	<u>151,510,856</u>

5.2 *Fair Value Measurement and Disclosures*

(a) *Fair Value Hierarchy*

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the TSG use valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

(b) *Financial Instruments Measured at Fair Value*

The following table provides the fair value hierarchy of the TMF's financial assets measured at fair value in the combined statements of financial position as of December 31, 2025 and 2024:

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025:							
Level 1							
Financial assets at FVTPL							
Quoted corporate bonds	380,526,071	157,246,298	1,763,700	-	417,944,148	192,554	957,672,771
Quoted equity securities	14,819,801	173,371,512	163,892,870	1,934,094	8,605,166,491	8,197,642,487	17,156,827,255
Investment in government securities	399,558,677	425,766,321	111,367,564	-	1,084,758,870	-	2,021,451,432
Investment in UITF	-	6,151,264	448,344,186	15,047,705	181,917,427	222,205,493	873,666,075
Investment in mutual funds	-	-	103,165,966	-	-	13,150,589	116,316,555
	<u>794,904,549</u>	<u>762,535,395</u>	<u>828,534,286</u>	<u>16,981,799</u>	<u>10,289,786,936</u>	<u>8,433,191,123</u>	<u>21,125,934,088</u>
Financial assets at FVOCI							
Quoted debt securities	-	35,072,419	1,236,512,256	92,637,438	5,558,459,978	13,051,604,051	19,974,286,142
Level 3							
Financial assets at FVOCI							
Unquoted equity securities	-	-	-	108,200	2,600	-	110,800
2024:							
Level 1							
Financial assets at FVTPL							
Quoted corporate bonds	236,684,897	266,105,059	-	-	537,312,244	190,365	1,040,292,565
Quoted equity securities	16,517,833	184,104,847	164,911,829	2,132,082	8,371,643,987	7,332,167,000	16,071,477,578
Investment in government securities	6,611,175	196,298,112	-	-	933,861,663	-	1,136,770,950
Investment in UITF	-	-	99,386,040	-	5,112,930	55,454,447	159,953,417
Investment in mutual funds	-	-	100,840,436	-	-	12,301,152	113,141,588
	<u>259,813,905</u>	<u>646,508,018</u>	<u>365,138,305</u>	<u>2,132,082</u>	<u>9,847,930,824</u>	<u>7,400,112,964</u>	<u>18,521,636,098</u>
Financial assets at FVOCI							
Quoted debt securities	-	30,173,718	1,338,784,881	169,169,790	5,059,019,987	10,981,994,524	17,579,142,900
Level 3							
Financial assets at FVOCI							
Unquoted equity securities	-	-	-	108,200	2,600	-	110,800

Described below and in the succeeding page are the information about how the fair values of the TSG classes of financial resources are determined.

(i) *Equity securities*

The fair values of quoted equity securities classified as financial assets at FVTPL and FVOCI as of December 31, 2025 and 2024 were valued based on their market prices quoted in the Philippine Stock Exchange (PSE) at the end of each reporting period; hence, categorized within Level 1.

For unquoted equity securities classified as financial assets at FVOCI as of December 31, 2025 and 2024, the fair value used is the cost of the asset.

(ii) *Debt securities*

The fair values of the TSG quoted debt securities, which are categorized within Level 1 are as follows:

- *Government Securities* - for peso-denominated government debt securities issued by the Philippine government, fair value is determined based on the reference price per Bloomberg which used Bloomberg Valuation Service (BVAL). These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparables.
- *Quoted corporate bonds* - the fair value of the Trust Accounts' debt securities, which consist of corporate bonds is estimated by reference to quoted bid price in Bloomberg at the end of the reporting period and is categorized within Level 1. Otherwise, debt securities held in a private company not traded or registered through Philippine Dealing & Exchange (PDEX) are included in Level 3 since its market value is not quoted in an active market, hence, measured by reference to the fair value of a comparable instrument adjusted for inputs internally developed by management.

(iii) *Investments in UITF and mutual fund*

The fair value of the Funds' UITF and mutual fund are estimated by reference to net asset value per unit published by the trust and other fund managers, respectively, at the end of each reporting period and is categorized within Level 2.

(c) *Financial Instruments at Amortized Cost*

The TSG measures financial assets at amortized cost if both of the following conditions are met:

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

In performing this assessment, the TSG analyzes whether the instrument's contractual cash flow profile aligns with the characteristics of a standard lending arrangement, meaning that the periodic payments are limited to principal and an interest component that reflects the time value of money, the borrower's credit risk, and other fundamental lending exposures, together with a return margin that is appropriate for such risks and consistent with conventional lending practices.

The table below summarizes the fair value hierarchy of the TMF's financial assets and financial liability which are not measured at fair value in combined statements of financial position but for which fair value is disclosed.

(Amounts in PHP)	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Level 1							
Financial assets:							
Due from BSP	-	-	47,486,272	-	-	-	47,486,272
Deposit in banks	17,948,719	114,867,913	35,313,025	328,672,511	599,519,227	2,586,261,494	3,682,582,889
Investment at amortized cost	-	-	-	-	3,465,000,000	-	3,465,000,000
	<u>17,948,719</u>	<u>114,867,913</u>	<u>82,799,297</u>	<u>328,672,511</u>	<u>4,064,519,227</u>	<u>2,586,261,494</u>	<u>7,195,069,161</u>
Level 3							
Financial assets:							
Loans and receivables	890,774	4,717,102	20,673,889	862,533	18,111,427,805	2,779,445,269	20,918,017,372
Other assets	2,985,193	566,994	3,211,502	484,432	45,276,999	95,472,332	147,997,452
	<u>3,875,967</u>	<u>5,284,096</u>	<u>23,885,391</u>	<u>1,346,965</u>	<u>18,156,704,804</u>	<u>2,874,917,601</u>	<u>21,066,014,824</u>
Financial Liability –							
Other accountabilities*	<u>1,981,082</u>	<u>6,513,987</u>	<u>3,075,692</u>	<u>17,153,961</u>	<u>66,519,597</u>	<u>27,155,335</u>	<u>122,399,654</u>
2024							
Level 1							
Financial assets:							
Due from BSP	-	-	45,886,272	-	-	-	45,886,272
Deposit in banks	46,659,774	142,057,605	67,784,431	250,795,924	1,490,568,515	3,983,762,269	5,981,628,518
Investment at amortized cost	-	-	-	-	3,465,000,000	-	3,465,000,000
	<u>46,659,774</u>	<u>142,057,605</u>	<u>113,670,703</u>	<u>250,795,924</u>	<u>4,955,568,515</u>	<u>3,983,762,269</u>	<u>9,492,514,790</u>
Level 3							
Financial assets:							
Loans and receivables	2,944,164	5,157,811	15,965,297	2,444,391	23,891,784,508	3,682,835,954	27,601,132,125
Other assets	375,163	484,450	2,856,268	597,276	46,305,160	91,750,910	142,369,227
	<u>3,319,327</u>	<u>5,642,261</u>	<u>18,821,565</u>	<u>3,041,667</u>	<u>23,938,089,668</u>	<u>3,774,586,864</u>	<u>27,743,501,352</u>
Financial Liability –							
Other accountabilities*	<u>1,390,668</u>	<u>5,528,224</u>	<u>3,172,130</u>	<u>8,773,214</u>	<u>89,062,905</u>	<u>43,583,715</u>	<u>151,510,856</u>

*Excludes government payables

- (i) *Due from BSP and Deposits in Banks* - Fair values approximate carrying amounts considering the short-term nature of the instruments, and that these instruments are subject to an insignificant risk of change in value.
- (ii) *Investments Securities at Amortized Cost* - The fair value of investment securities at amortized cost, except for unquoted debt securities, is determined based on the reference price per PDEX which used BVAL. These BVAL reference rates are computed based on the weighted price derived using an approach based on a combined sequence of proprietary BVAL algorithms of direct observations or observed comparable.

The fair value of unquoted debt securities included in investment securities at amortized cost represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

The fair value of the Funds' investment securities at amortized cost which consist of corporate bonds is estimated by reference to quoted price in Bloomberg for foreign denominated securities and by following the hierarchy of rates prescribed in the BSP Circular No. 813, *Amendment on Market Valuation of Government Securities*, using rates quoted in PDEX for peso denominated securities at the end of the reporting period. Further, interest receivable on investments securities at amortized costs is classified as Level 3 hierarchy.

- (iii) *Loans and Receivables* - The estimated fair value of long-term receivables from customers and sales contract receivables are equivalent to the estimated future cash flows expected to be received which are discounted using current market rates (i.e. BVAL reference rates). Fair value of short-term commercial loans, accrued interest receivables and other receivables approximates carrying amounts given the short-term nature of the account.
- (iv) *Other Assets* - The carrying value of other assets approximates the fair values due to the short-term maturities of these assets. These are mainly comprised of dividend receivable, due from brokers and other miscellaneous assets.
- (v) *Accountabilities* - For other financial liabilities at amortized cost, the carrying amount approximates fair value considering that these liabilities are currently due and demandable.

(d) *Fair Value Measurement for Non-financial Assets*

Investment in real properties is classified under Level 3 in the fair value hierarchy. The TSG measures the investment properties at cost other than those held by certain institutional accounts in case of pre-need, employment benefit accounts and pension funds with long-term commitment and insurance companies.

As at December 31, 2025 and 2024, investment properties are carried at cost amounting to P78.82 million. There were no recognized fair value gains or losses in 2025 and 2024.

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 presented below and in the succeeding page:

- 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 historical 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.

The valuations procedures have been performed in accordance with the International Valuation Standards (2017 Edition) and Philippine Valuation Standards (2nd Edition 2018), that represent accepted or best practice in the valuation profession, also known as Generally Accepted Valuation Principles (GAVP).

An instrument in its entirety is classified as Level 3 if a significant portion of the instrument's fair value is driven by unobservable inputs. Unobservable in this context means that there is little or no current market data available from which the price at which an arm's length transaction would be likely to occur can be derived. The fair value of the Level 3 instrument is based on cost which approximates its fair value. The TSG does not intend to dispose of this investment in the foreseeable future.

For 2025 and 2024, there have been no transfers into and out of the levels of the fair value hierarchy.

6. DUE FROM BANGKO SENTRAL NG PILIPINAS

In compliance with existing BSP regulations as stated in MORB Section 417, *Security for the Faithful Performance of Trust and Other Fiduciary Business*, Section 424, *Security for the Faithful Performance of Investment Management Activities*, Section 431, *Securities Custodianship and Securities Registry Operations under Subsection, Basic Security Deposit*, Section 1121, government securities with a total face value of P47.49 million and P45.89 million as of December 31, 2025 and 2024, respectively, are deposited with the BSP as security deposits for the faithful performance of trust functions.

The demand deposit account maintained by TSG with BSP is designed to facilitate the outright transactions or the direct purchase/sale by BSP of its holdings of government securities from/to banking institutions. Demand deposit account of the TSG as at December 31, 2025 and 2024 are noninterest bearing.

7. DEPOSITS IN BANKS

This account consists of:

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Savings deposit	13,589,199	64,352,925	27,289,827	82,521,624	274,870,406	565,782,345	1,028,406,326
Time deposit	4,359,520	50,514,988	8,104,241	248,637,260	327,880,030	2,040,888,027	2,680,384,066
	17,948,719	114,867,913	35,394,068	331,158,884	602,750,436	2,606,670,372	3,708,790,392
Allowance for credit losses	-	-	(81,043)	(2,486,373)	(3,231,209)	(20,408,878)	(26,207,503)
	<u>17,948,719</u>	<u>114,867,913</u>	<u>35,313,025</u>	<u>328,672,511</u>	<u>599,519,227</u>	<u>2,586,261,494</u>	<u>3,682,582,889</u>
2024							
Savings deposit	-	5,282,081	48,235,809	43,132,734	130,385,737	254,420,781	481,457,142
Time deposit	46,659,774	136,775,524	19,746,083	209,760,798	1,373,921,998	3,767,021,571	5,553,885,748
	46,659,774	142,057,605	67,981,892	252,893,532	1,504,307,735	4,021,442,352	6,035,342,890
Allowance for credit losses	-	-	(197,461)	(2,097,608)	(13,739,220)	(37,680,083)	(53,714,372)
	<u>46,659,774</u>	<u>142,057,605</u>	<u>67,784,431</u>	<u>250,795,924</u>	<u>1,490,568,515</u>	<u>3,983,762,269</u>	<u>5,981,628,518</u>

In 2025 and 2024, time deposit placements earned interest at a fixed rate per annum ranging from 1.75% to 5.80% and 1.00% to 6.50%, respectively. On the other hand, savings deposit placements do not earn interest rate per annum because all trust placement in savings account were tagged as non-interest bearing.

Interest earned from Deposits in Banks is presented as part of Interest Income in the combined statements of income amounted to P148.74 million and P312.33 million in 2025 and 2024, respectively. Combined interest income denominated in foreign currency amounted to P40.57 million and P46.52 million in 2025 and 2024, respectively.

The breakdown of Deposits in Banks account by currency follows:

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Peso	14,885,453	114,867,913	23,176,225	263,666,684	440,443,354	1,662,441,522	2,519,481,151
U.S. Dollar	3,063,266	-	12,136,800	65,005,827	159,075,873	923,819,972	1,163,101,738
	<u>17,948,719</u>	<u>114,867,913</u>	<u>35,313,025</u>	<u>328,672,511</u>	<u>599,519,227</u>	<u>2,586,261,494</u>	<u>3,682,582,889</u>
2024							
Peso	41,201,419	142,057,605	43,229,770	189,351,701	130,876,877	3,003,245,844	3,549,963,216
U.S. Dollar	5,458,355	-	24,554,661	61,444,223	1,359,691,638	980,516,425	2,431,665,302
	<u>46,659,774</u>	<u>142,057,605</u>	<u>67,784,431</u>	<u>250,795,924</u>	<u>1,490,568,515</u>	<u>3,983,762,269</u>	<u>5,981,628,518</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of quoted government securities, corporate bonds, USD-denominated Republic of the Philippines (ROP) bonds, and equity securities which are held for trading purposes.

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Investment in equity securities	14,819,801	173,371,512	163,892,870	1,934,094	8,605,166,491	8,197,642,486	17,156,827,254
Investment in corporate bonds	358,081,075	157,246,298	-	-	417,944,148	192,555	933,464,076
Investment in government securities	399,558,677	425,766,321	111,367,564	-	1,084,758,870	-	2,021,451,432
Investment in USD-denominated ROP bonds	22,444,996	-	1,763,700	-	-	-	24,208,696
Investments in UITF	-	6,151,264	448,344,186	15,047,705	181,917,427	222,205,493	873,666,075
Investments in Mutual Funds	-	-	103,165,966	-	-	13,150,589	116,316,555
	794,904,549	762,535,395	828,534,286	16,981,799	10,289,786,936	8,433,191,123	21,125,934,088
2024							
Investment in equity securities	16,517,833	184,104,847	164,911,829	2,132,082	8,371,643,987	7,332,167,000	16,071,477,578
Investment in corporate bonds	201,634,447	266,105,059	-	-	537,312,244	190,365	1,005,242,115
Investment in government securities	6,611,175	196,298,112	-	-	933,861,663	-	1,136,770,950
Investment in USD-denominated ROP bonds	35,050,450	-	-	-	-	-	35,050,450
Investments in UITF	-	-	99,386,040	-	5,112,930	55,454,447	159,953,417
Investments in Mutual Funds	-	-	100,840,436	-	-	12,301,152	113,141,588
	259,813,905	646,508,018	365,138,305	2,132,082	9,847,930,824	7,400,112,964	18,521,636,098

Equity securities at FVTPL as of December 31, 2025 and 2024, consist of shares of stock of various publicly listed companies amounting to P17.16 billion and P16.07 billion as of December 31, 2025 and 2024, respectively.

Corporate bonds consist of fixed rate bonds bearing interest at a fixed rate per annum ranging from 3.73% to 8.49% and from 3.43% to 9.10% in 2025 and 2024, respectively.

Government securities consist of Philippine Treasury Bills, Treasury Notes and Treasury Bonds. Government securities have terms that will mature within one to 25 years in 2025 and 2024 and earn interest per annum ranging from 1.38% to 10.25% and from 2.62% to 9.00% in 2025 and 2024, respectively.

UITF and mutual funds by the other trust funds are carried at the prevailing net asset value, which are in the form of participation of the funds in the Bank's UITF and from offshore investment companies, composed mostly of money market and equity funds.

In 2025 and 2024, interest income from financial assets at FVTPL amounted to P229.19 million and P96.73 million. Trading and securities gains - net from financial assets at FVTPL amounted to P510.51 million and P434.49 million in 2025 and 2024, respectively. The dividend income received from financial assets at FVTPL amounting to P1,048.70 million and P1,039.32 million in 2025 and 2024, respectively, is presented as part of Other income in the combined statements of income.

The breakdown of financial assets at FVTPL by currency follows:

(Amounts in PHP)	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Peso	771,499,659	762,535,395	787,396,594	16,981,799	10,289,786,936	8,420,865,971	21,049,066,354
U.S. Dollar	23,404,890	-	41,137,692	-	-	12,325,152	76,867,734
	794,904,549	762,535,395	828,534,286	16,981,799	10,289,786,936	8,433,191,123	21,125,934,088
2024							
Peso	219,264,109	646,508,018	334,332,680	2,132,082	9,847,930,824	7,398,054,312	18,448,222,025
U.S. Dollar	40,549,796	-	30,805,625	-	-	2,058,652	73,414,073
	259,813,905	646,508,018	365,138,305	2,132,082	9,847,930,824	7,400,112,964	18,521,636,098

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This account consists of:

(Amounts in PHP)	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Quoted debt securities	-	35,072,419	1,236,512,256	92,637,438	5,558,370,817	13,051,604,051	19,974,196,981
Unquoted equity securities	-	-	-	108,200	91,761	-	199,961
	-	35,072,419	1,236,512,256	92,745,638	5,558,462,578	13,051,604,051	19,974,396,942
2024							
Quoted debt securities	-	30,173,718	1,338,784,881	169,169,790	5,059,019,987	10,981,994,524	17,579,142,900
Unquoted equity securities	-	-	-	108,200	2,600	-	110,800
	-	30,173,718	1,338,784,881	169,277,990	5,059,022,587	10,981,994,524	17,579,253,700

Combined interest income from FVOCI debt securities in 2025 and 2024 amounted to P1,298.43 million and P998.10 million, respectively. Combined dividend income which is presented as part of Other income in the combined statements of income received from equity financial assets at FVOCI in 2025 and 2024 amounted to P1.74 million and nil. As at December 2025 and 2024, combined debt securities consist of government securities which is Philippine Treasury Bills, Treasury Notes and Treasury Bonds. Government securities have terms that will mature within one to 25 years in 2025 and 2024 and earn interest per annum ranging from 1.38% to 10.25% and from 2.62% to 9.00% in 2025 and 2024, respectively.

The breakdown of financial assets at FVOCI by currency is as follows:

(Amounts in PHP)	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Peso	-	35,072,419	1,175,824,081	92,745,638	5,358,114,362	12,507,391,779	19,169,148,279
U.S. Dollar	-	-	60,688,175	-	200,348,216	544,212,272	805,248,663
	-	35,072,419	1,236,512,256	92,745,638	5,558,462,578	13,051,604,051	19,974,396,942
2024							
Peso	-	30,173,718	1,324,894,279	169,277,990	4,812,734,067	10,495,683,158	16,832,763,212
U.S. Dollar	-	-	13,890,602	-	246,288,520	486,311,366	746,490,488
	-	30,173,718	1,338,784,881	169,277,990	5,059,022,587	10,981,994,524	17,579,253,700

9.1 Net Unrealized Gains (Losses) on Financial Assets at FVOCI

The net movements of net unrealized gains (losses) on financial assets at FVOCI are as follows:

<i>(Amounts in PHP)</i>	<i>Note</i>	Trust			Agency		Combined	
		UITF	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts		Individual Accounts
2025								
Balance at beginning of year		-	(441,730)	16,326,566	1,770,272	(114,545,648)	(257,640,716)	(354,531,256)
Net realized gains taken to profit or loss		-	336,508	5,492,128	42,257	116,284,650	214,614,038	336,769,581
Net unrealized gains recognized in OCI		-	-	-	-	89,161	-	89,161
ECL on debt securities at FVOCI	4.3.4	-	45,228	(1,083,550)	(766,039)	3,827,920	18,528,003	20,551,562
Balance at end of year		-	(59,994)	20,735,144	1,046,490	5,656,083	(24,498,675)	2,879,048
2024								
Balance at beginning of year		-	(862,818)	2,255,081	1,851,728	(257,016,777)	(505,402,120)	(759,174,906)
Net realized gains taken to profit or loss		-	345,830	12,396,043	(677,323)	128,302,343	231,176,267	371,543,160
Net unrealized gains recognized in OCI		-	-	-	115,758	-	-	115,758
ECL on debt securities at FVOCI	4.3.4	-	75,258	1,675,443	480,109	14,168,786	16,585,137	32,984,733
Balance at end of year		-	(441,730)	16,326,567	1,770,272	(114,545,648)	(257,640,716)	(354,531,255)

As at December 31, 2025 and 2024, the allowance for credit losses on debt securities at FVOCI presented as part of Net unrealized gains (losses) on financial assets at FVOCI amounted to P201.73 million and P181.18 million, respectively.

Changes in the financial assets at FVOCI for the years ended December 31, 2025 and 2024 are summarized below.

<i>(Amounts in PHP)</i>	2025	2024
Balance at beginning of the year	17,579,253,700	13,902,451,111
Net acquisitions	2,037,732,938	3,272,158,938
Net unrealized fair value gains	336,858,742	371,658,918
Impairment recoveries	20,551,562	32,984,733
Balance at end of year	19,974,396,942	17,579,253,700

10. FINANCIAL ASSETS AT AMORTIZED COST

This account consists of bonds issued by private companies with interest rates per annum of 4.00% to 7.85% in 2025 and 2024, respectively. The TMF earned interest amounting to P269.82 million in 2025 and 2024.

Financial assets at amortized cost under agency institutional accounts amounts to P3.47 billion in 2025 and 2024.

11. LOANS AND OTHER RECEIVABLES

This account consists of:

<i>(Amounts in PHP)</i>		Trust			Agency		Combined	
		Note	UITF	Institutional Accounts	Individual Accounts	Other Fiduciary		Institutional Accounts
2025								
		-	1,189,694	5,000,000	-	18,706,201,051	2,784,388,529	21,496,779,274
		-	-	-	44,084,703	-	-	44,084,703
		790,774	5,539,305	15,524,683	862,533	921,899,458	143,208,733	1,087,825,486
		790,774	6,728,999	20,524,683	44,947,236	19,628,100,509	2,927,597,262	22,628,689,463
	4.3.4	-	(11,897)	(49,999)	(44,084,703)	(2,235,553,334)	(37,640,705)	(2,317,340,638)
		790,774	6,717,102	20,474,684	862,533	17,392,547,175	2,889,956,557	20,311,348,825
2024								
		-	-	-	-	24,856,426,466	3,584,361,450	28,440,787,916
		-	-	-	-	-	1,000,000	1,000,000
		-	-	-	44,084,703	-	-	44,084,703
		2,444,164	6,210,412	15,530,548	2,469,082	599,399,045	192,044,382	818,097,633
		2,444,164	6,210,412	15,530,548	46,553,785	25,455,825,511	3,777,405,832	29,303,970,252
	4.3.4	-	(52,601)	(155,251)	(44,109,394)	(2,564,041,003)	(94,569,878)	(2,702,928,127)
		2,444,164	6,157,811	15,375,297	2,444,391	22,891,784,508	3,682,835,954	26,601,042,125

UDSCL refers to debt securities, with fixed or determinable payments that are not quoted in an active market. These are debt securities which give the holder the right to receive quarterly interest payments. The UDSCL principal is redeemed upon maturity. Unlike commercial loans, which is evidenced by promissory notes, UDSCL is evidenced by a statement coming from the counterparty referred.

The principal balance of commercial loans is payable in lump sum at maturity, while interest is recognized and collected on a monthly basis throughout the loan term.

The maturity profile of commercial loans at gross are as follows:

<i>(Amounts in PHP)</i>		Trust			Agency		Combined	
		UITF	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts		Individual Accounts
2025								
Current								
	Within one year	-	1,189,694	5,000,000	-	16,227,394,301	2,755,067,095	18,988,651,090
	Beyond one year but within five years	-	-	-	-	1,575,000,000	23,000,000	1,598,000,000
		-	1,189,694	5,000,000	-	17,802,394,301	2,778,067,095	20,586,651,090
	Past due	-	-	-	-	903,806,750	6,321,434	910,128,184
		-	1,189,694	5,000,000	-	18,706,201,051	2,784,388,529	21,496,779,274
2024								
Current								
	Within one year	-	-	-	-	22,662,676,466	3,553,928,443	26,216,604,909
	Beyond one year but within five years	-	-	-	-	2,193,750,000	24,111,574	2,217,861,574
		-	-	-	-	24,856,426,466	3,578,040,017	28,434,466,483
	Past due	-	-	-	-	-	6,321,433	6,321,433
		-	-	-	-	24,856,426,466	3,584,361,450	28,440,787,916

Sales contract receivables (SCR) represent zero percent interest bearing outstanding balances of buyers of pre-sold condominium units.

Other receivables from customers pertain to accrued interest and accounts receivable which mainly consist of amounts due from customers and other parties under open-account arrangements, receivables from employees and other miscellaneous receivables.

Loans and other receivables earn interest at a fixed rate of 4.98% to 17.50% and 5.25% to 16.25% in December 31, 2025 and 2024, respectively. The principal balance of Loans and other receivables are payable in lump sum at maturity. The interest on loans and other receivables are collected on a monthly basis. Interest earned on loans and other receivables amounted to P1.75 billion and P2.50 billion in 2025 and 2024, respectively, and is presented as part of Interest income on loans and receivable under Income section of the combined statements of comprehensive income.

Changes in the allowance for impairment on loans and other receivables are summarized below.

<i>(Amounts in PHP)</i>	Trust			Agency		Combined	
	UITF	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts		Individual Accounts
2025							
Balance at beginning of year	-	52,601	155,251	44,109,394	2,564,041,003	94,569,878	2,702,928,127
Impairment (reversal) on current accounts - net	-	(40,704)	(105,252)	16,581	(323,412,281)	(51,812,513)	(375,354,169)
Reversal on closed accounts - net	-	-	-	(41,272)	(5,075,388)	(5,116,660)	(10,233,320)
Balance at end of year	-	11,897	49,999	44,084,703	2,235,553,334	37,640,705	2,317,340,638
2024							
Balance at beginning of year	-	1,937	151,718	44,109,591	2,839,150,084	88,384,149	2,971,797,479
Impairment (reversal) on current accounts - net	-	50,664	3,533	(197)	(119,479,863)	10,594,077	(108,831,786)
Reversal on closed accounts - net	-	-	-	-	(155,629,218)	(4,408,348)	(160,037,566)
Balance at end of year	-	52,601	155,251	44,109,394	2,564,041,003	94,569,878	2,702,928,127

12. INVESTMENT PROPERTIES

The composition of this account as of December 31, 2025 and 2024 is presented below.

<i>(Amounts in PHP)</i>	Trust		Combined
	Institutional Accounts	Individual Accounts	
At cost:			
Investment in real estate	-	14,290,761	14,290,761
Accumulated depreciation	-	(4,129,987)	(4,129,987)
		10,160,774	10,160,774
At fair value –			
Investment in real estate	62,665,250	-	62,665,250
	62,665,250	10,160,774	72,826,024

Investment properties carried at cost under Individual Trust account consist of a residential property (land and land improvement) situated in Quezon City. The land improvement amounting to P4.10 million is fully depreciated since 2011 but still in use as of December 31, 2025.

Investment properties carried at fair value under Institutional Trust accounts consist of condominium units amounting to P9.70 million in 2025 and 2024. Both assets are recorded at fair value in accordance with the Pre-need Trust Fund Agreement issued by the Insurance Commission. The cost of the condominium units held as investment property amounted to P1.61 million while the columbarium vaults' cost is equivalent to its fair value. Fair value gain from investment properties amounted to nil in 2025 and 2024.

13. OTHER ASSETS

The following is the breakdown of other assets as of December 31:

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Dividend receivable	38,013	272,223	1,191,534	-	44,397,816	90,525,131	136,424,717
Other miscellaneous assets	<u>2,947,180</u>	<u>294,771</u>	<u>2,019,968</u>	<u>484,432</u>	<u>879,183</u>	<u>4,947,201</u>	<u>11,572,735</u>
	<u>2,985,193</u>	<u>566,994</u>	<u>3,211,502</u>	<u>484,432</u>	<u>45,276,999</u>	<u>95,472,332</u>	<u>147,997,452</u>
2024							
Dividend receivable	36,657	351,268	1,230,361	-	45,784,986	88,604,184	136,007,456
Other miscellaneous assets	<u>338,506</u>	<u>133,182</u>	<u>1,625,907</u>	<u>597,276</u>	<u>520,174</u>	<u>3,146,726</u>	<u>6,361,771</u>
	<u>375,163</u>	<u>484,450</u>	<u>2,856,268</u>	<u>597,276</u>	<u>46,305,160</u>	<u>91,750,910</u>	<u>142,369,227</u>

Dividend receivable pertains to the dividends earned by TMF from its investments in quoted and unquoted equity securities. Due from brokers pertain to receivables arising from sale transactions of equity investments transacted through authorized brokers and shall be reversed upon settlement date (i.e. T+3 days).

14. OTHER ACCOUNTABILITIES

This account consists of the following as of December 31:

<i>(Amounts in PHP)</i>	Trust			Other Fiduciary	Agency		Combined
	UITF	Institutional Accounts	Individual Accounts		Institutional Accounts	Individual Accounts	
2025							
Withholding tax payables	40,545	326,674	2,956,627	172,510	174,660,742	25,852,978	204,010,076
Accrued trust fees	1,715,313	5,575,833	3,075,189	14,561,106	66,517,698	27,031,641	118,476,780
Due to broker	-	782,378	-	2,588,355	-	-	3,370,733
Accounts payable	-	3,507	-	-	-	117,500	121,007
Miscellaneous liabilities	<u>265,768</u>	<u>152,269</u>	<u>503</u>	<u>4,500</u>	<u>1,899</u>	<u>6,194</u>	<u>431,133</u>
	<u>2,021,626</u>	<u>6,840,661</u>	<u>6,032,319</u>	<u>17,326,471</u>	<u>241,180,339</u>	<u>53,008,313</u>	<u>326,409,729</u>

(Amounts in PHP)	Trust				Agency		Combined
	UITF	Institutional Accounts	Individual Accounts	Other Fiduciary	Institutional Accounts	Individual Accounts	
2024							
Withholding tax payables	253,204	346,460	2,657,691	471,568	117,211,964	34,542,955	155,483,842
Accrued trust fees	1,244,445	5,372,450	3,171,630	8,768,715	89,061,005	37,395,090	145,013,335
Due to broker	-	-	-	-	-	5,999,931	5,999,931
Accounts payable	-	3,507	-	-	-	117,500	121,007
Miscellaneous liabilities	146,223	152,267	500	4,499	1,900	71,194	376,583
	<u>1,643,872</u>	<u>5,874,684</u>	<u>5,829,821</u>	<u>9,244,782</u>	<u>206,274,869</u>	<u>78,126,670</u>	<u>306,994,698</u>

Withholding tax payables pertain to the accrual of final withholding taxes (FWT) withheld at source on TMF on behalf of the Trustors.

Due to broker pertains to accounts not yet settled that are related to trading transactions entered by the TSG in a buying position.

Accrued trust fees are the trust fees payable by the client to the Trust itself in connection with its investment management services.

Miscellaneous liabilities represent other payables that remain outstanding at year-end, including withdrawals that have been initiated but not yet cleared by TSG, which are expected to be settled within one year.

15. TRUST FEES

Trust fees are charged against the income of trust funds based on a certain percentage of the principal fund balance or the total market value of the trust assets being managed. On the other hand, trust fees for other funds are fixed and are charged on an annual and quarterly basis. Trust fees amounting to P194.59 million and P185.52 million in 2025 and 2024, respectively, incurred by the outstanding Trust Accounts in administering the trust function are paid to the Bank.

Trust fees charged by the TSG are based on the following percentage of managed funds in 2025 and 2024:

	<u>2025</u>	<u>2024</u>
UITF	0.25% - 1.50%	0.25% - 1.50%
Institutional trust fund	0.25% - 2.00%	0.25% - 2.00%
Individual trust fund	0.19% - 1.75%	0.19% - 1.75%
Other fiduciary	0.25% - 0.50%	0.25% - 0.50%
Institutional agency	0.05% - 0.63%	0.05% - 0.50%
Individual agency	0.08% - 1.00%	1.25% - 1.00%

16. FINAL TAX

This represents final withholding taxes of 10.00%, 25.00%, and 20.00% for PHP and USD-denominated dividend and interest income, respectively, of the TMF accruing to the trustors. For the years ended December 31, 2025 and 2024, the combined final tax expense reported amounted to P749.27 million and P854.57 million, respectively.

17. RELATED PARTY TRANSACTIONS

The Bank, through the TSG, is considered by the TMF as a related party on the basis of the management role performed by the TSG for such funds. The Bank's retirement plan is managed and administered by TSG and is covered by an IMA Agreement (agency relationship).

Trust fees incurred by the TSG are reported as part of the Bank's service charges, fees and commission account. As at December 31, 2025 and 2024, trust fees reported by the TSG in its combined statements of income amounted to P194.60 million and P185.52 million, respectively. Unremitted and accrued trust fees payable of the TMF amounted to P118.48 million and P145.01 million as at December 31, 2025 and 2024, respectively (see Note 14). The frequency, manner, and basis of computation for collecting trust fees may vary depending on the provision stipulated on the agreement or contract.

The TMF also has outstanding loans to its related parties with tenor of less than a year (see Note 21).

17.1 Transactions with Bank's Retirement Plan

The Bank's retirement plan is managed and administered by the TMF which is covered by an Investment Management Account (IMA) Agreement (agency relationship).

As of December 31, 2025 and 2024, total plan assets amounted to P1,868.52 million and P1,853.02 million, respectively, while total plan liabilities amounted to P4.14 million and P3.28 million, respectively.

As at December 31, 2025 and 2024, the retirement plan assets under TMF include 730,670 shares of the Bank classified under financial assets at FVPL. The shares of the Bank were listed in the PSE on March 31, 2022. As at December 31, 2025 and 2024, the fair market value of the shares amounted to P6.7 million and P4.9 million, respectively. Limitations and restrictions are covered by the IMA Agreement and anything outside the IMA Agreement must be explicitly authorized by the Board of Trustees (BOT).

17.2 Transactions with Bank's Investor

The TMF also manages and administers retirement funds of one of the investors under IMA Agreements. The total net assets of these trust accounts amounted to P753.4 million and P407.0 million as at December 31, 2025 and 2024, respectively.

18. COMMITMENTS AND CONTINGENT ACCOUNTABILITIES

In the normal course of business, the TSG enters into various commitments and incurs contingent liabilities that are not presented in the accompanying financial statements. The TSG does not anticipate any material losses as a result of these commitments and contingent liabilities.

There were no off-balance sheet commitments and contingent liabilities as at December 31, 2025 and 2024.

19. MATURITY ANALYSIS OF ASSETS AND ACCOUNTABILITIES

The table below shows assets and liabilities as at December 31, 2025 and 2024 analyzed according to when they are expected to be recovered or settled:

<i>(Amounts in PHP)</i>	2025			2024		
	Less than 12 Months	Over 12 Months	Total	Less than 12 Months	Over 12 Months	Total
Financial Assets - net						
Due from BSP	47,486,272	-	47,486,272	45,886,272	-	45,886,272
Deposits in banks	3,682,582,889	-	3,682,582,889	5,981,628,518	-	5,981,628,518
Financial assets at FVPL	18,972,702,285	2,153,231,803	21,125,934,088	16,931,460,472	1,590,175,626	18,521,636,098
Financial assets at FVOCI	2,768,152,948	17,206,243,994	19,974,396,942	17,579,253,700	-	17,579,253,700
Financial assets at amortized cost	-	3,465,000,000	3,465,000,000	-	3,465,000,000	3,465,000,000
Loans and receivables	17,070,566,732	3,240,782,093	20,311,348,825	23,585,965,256	3,015,076,869	26,601,042,125
Other assets	136,424,717	-	136,424,717	136,007,456	-	136,007,456
	<u>42,677,915,843</u>	<u>26,065,257,890</u>	<u>68,743,173,733</u>	<u>64,260,201,674</u>	<u>8,070,252,495</u>	<u>72,330,454,169</u>
Non-financial Assets – net						
Investment properties	-	72,826,024	72,826,024	-	72,826,024	72,826,024
Other assets	-	11,572,735	11,572,735	-	6,361,771	6,361,771
	<u>42,677,915,843</u>	<u>26,149,656,649</u>	<u>68,827,572,492</u>	<u>64,260,201,674</u>	<u>8,149,440,290</u>	<u>72,409,641,964</u>
Liabilities						
Principal fund	67,299,529,853	-	67,299,529,853	73,648,156,445	-	73,648,156,445
Accumulated earning (loss)	1,198,753,862	-	1,198,753,862	(1,190,977,924)	-	(1,190,977,924)
Net unrealized fair value gains (losses) on financial assets at FVOCI	2,879,048	-	2,879,048	(354,531,255)	-	(354,531,255)
Other accountabilities	326,409,729	-	326,409,729	306,994,698	-	306,994,698
	<u>68,827,572,492</u>	<u>-</u>	<u>68,827,572,492</u>	<u>72,409,641,964</u>	<u>-</u>	<u>72,409,641,964</u>

20. EVENTS AFTER THE REPORTING PERIOD

In 2026, the Bank's BOD approved the change in the fund name of UITFs from Diversity Peso Bond Fund and Diversity Dollar Bond Fund to BankCom Peso Long Term Bond Fund and BankCom Dollar Long Term Bond Fund, respectively. The BSP subsequently approved these changes on February 6, 2026. The new fund names will take effect on April 1, 2026.

21. SUPPLEMENTARY INFORMATION REQUIRED UNDER SECTION 174 AND APPENDIX 55 OF THE MANUAL OF REGULATIONS FOR BANKS AND REVENUE REGULATIONS 15-2010

The following supplementary information is required by Appendix 55 – Disclosure Requirements to the Audited Financial Statements to Section 174 of the MORB of the BSP:

(i) Supplemental Information

a. Financial Performance Indicators

The following basic ratios measure the financial performance of TSG:

<i>(Amounts in PHP)</i>	<u>2025</u>	<u>2024</u>
a. Net income	4,495,199,717	4,839,247,334
b. Average total equity	<u>70,301,905,015</u>	<u>71,959,988,233</u>
Return on average equity (a/b)	<u>6.39%</u>	<u>6.72%</u>
c. Net income	4,495,199,717	4,839,247,334
d. Average total assets	<u>70,618,607,228</u>	<u>72,271,567,353</u>
Return on average assets (c/d)	<u>6.37%</u>	<u>6.70%</u>
e. Net interest income	3,715,401,559	4,203,699,156
f. Average interest earning assets	<u>70,353,911,594</u>	<u>72,113,115,166</u>
Net interest margin (e/f)	<u>5.28%</u>	<u>5.83%</u>

Note: Average balances were determined as the average of the current and previous calendar balances of the respective statements of financial position accounts.

b. Description of Capital Instruments Issued - not applicable to the TSG.

c. Significant Credit Exposures - please refer to Note 4.

d. Breakdown of Total Loans as to security and status

Consumer Lending

Under BSP Circular No. 941 *Amendments to the Regulations on Past Due and Non-Performing Loans*, loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

The table below shows an analysis of performing and non-performing consumer loans as at December 31, 2025 and 2024:

<i>(Amounts in PHP)</i>	2025	2024
Performing	20,586,651,090	28,434,466,482
Non-performing	910,128,184	6,321,434
	21,496,779,274	28,440,787,916

e. Information on Related Party Loans

As stated in BSP Circular No. 914 Section 2, Chapter E, *Loans and Credit Accommodations to Directors, Officers, Stockholders and their Related Interests (DOSRI)/Subsidiaries/Affiliates*, as amended by BSP Circular 970, *Enhanced Corporate Governance Guidelines for BSP-Supervised Financial Institutions Amending the Manual of Regulations for Non-Bank Financial Institutions*, dated August 22, 2017, related parties shall cover the entity's subsidiaries as well as affiliates and any party, including their subsidiaries, affiliates, and special purpose entities that the entity exerts direct or indirect control over the entity; the directors; officer; stockholders; and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interests may pose potential conflict with the interest of the financial institution, hence, is identified as a related party.

As at December 31, 2025 and 2024, the TSG has no outstanding loan and other credit accommodations with certain DOSRI.

<i>(Amounts in PHP)</i>	2025		2024	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI)	DOSRI Loans	Related Party Loans (inclusive of DOSRI)
Outstanding loans	-	21,496,779,274	-	28,440,787,916
Percent of DOSRI/Related Party Loans to total loan portfolio	-	9.91%	-	14.21%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	-	100%	-	100%
Percent of past due DOSRI/Related Party loans to total DOSRI/Related Party loans	-	0.00%	-	0.00%
Percent of non-performing DOSRI/Related Party loans to total DOSRI/Related Party loans	-	0.00%	-	0.00%

f. Aggregate Amount of Secured Liabilities and Assets pledged as Security

The assets pledged by the TSG are strictly for the purpose of providing collateral for the counterparty. To the extent that the counterparty is permitted to sell and/or re-pledge the assets, they are classified in the statements of financial position as pledged collateral. The pledged assets will be returned to the TSG when the underlying transaction is terminated but, in the event of the TSG's default, the counterparty is entitled to apply the collateral in order to settle the liability.

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

g. Commitments and Contingencies

The TSG has no reportable contingencies and commitments arising from transaction not given recognition in the combined statements of financial position as of December 31, 2025 and 2024.