Bank of Commerce
An affiliate of San Miguel Corporation

November 12, 2026

SECURITIES AND EXCHANGE COMMISSION
17/F SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

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

THE PHILIPPINE STOCK EXCHANGE, INC.
5th Avenue corner 28th Street
Bonifacio Global City, Taguig

Attention : **ATTY. MARIGEL B. GARCIA**
Head, Issuer Regulation Division

PHILIPPINE DEALING & EXCHANGE CORP.
29th Floor, BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

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

Mesdames/Gentlemen:

We submit herewith the September 30, 2026 SEC 17-Q report of Bank of Commerce.

Thank you.

Very truly yours,

[redacted]

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

COVER SHEET

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SEC Registration Number

B	A	N	K		O	F		C	O	M	M	E	R	C	E															

S	A	N		M	I	G	U	E	L		P	R	O	P	E	R	T	I	E	S		C	E	N	T	R	E			

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M	A	N	D	A	L	U	Y	O	N	G		C	I	T	Y															

ANTONIO S. LAQUINDANUM	8 9 8 2 6 0 0 0
Contact Person	Company Telephone Number

1	2		3	1		1	7	Q				
Month		*Day*			*Form Type*				*Month*		*Day*	
Fiscal Year									Annual Meeting			

Secondary License Type, If Applicable

S	E	C

Dept. Requiring this Doc

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

SEC Number 24221
PSE Code
File Number

BANK OF COMMERCE

(Company's Full Name)

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

(Company's Address)

8982-6000

(Telephone Number)

December 31

(Fiscal Year Ending)

SEC FORM 17-Q

Form Type

Amendment Designation (if applicable)

September 30, 2026

For the Quarterly Period Ended

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **September 30, 2026**
2. Commission identification number **24221**
3. BIR Tax Identification No **000 440 440**
4. Exact name of issuer as specified in its charter **BANK OF COMMERCE**
5. Province, country or other jurisdiction of incorporation or organization **PHILIPPINES**
6. Industry Classification Code: (SEC Use Only)

SAN MIGUEL PROPERTIES CENTRE, NO. 7 ST FRANCIS STREET, MANDALUYONG CITY 1550, PH

7. Address of issuer's principal office Postal Code
8. Issuer's telephone number, including area code **+63-2-8982 6000**
9. Former name, former address and former fiscal year, if changed since last report **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

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

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

    Yes [X] No [ ]

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

    The Philippine Stock Exchange, Inc: Common Shares

12. Indicate by check mark whether the registrant:

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

        Yes [X] No [ ]

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

        Yes [X] No [ ]

SIGNATURES

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

BANK OF COMMERCE
Issuer

By:

[redacted]
ANTONIO S. LAQUINDANUM
EVP/Chief Financial Officer

MANDALUYONG CITY

SUBSCRIBED AND SWORN to before me this 12 NOV 2026 day of _____ 20__ affiant(s) exhibiting to me his/their government issued ID, as follows:

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

_____
Notary Public

Doc. No.: 239
Page No.: 49
Book No.: VII
Series: 2026

Documentary Stamp numbered 208105578 has been attached on one of the original versions of this document set and has been cancelled to prevent its reuse.

[redacted]
ALYSSA MAE G. CAYABA
NOTARY PUBLIC FOR MANDALUYONG CITY
[redacted]
UNTIL 31 DECEMBER 2026
SMPC, #7 ST. FRANCIS ST., MANDALUYONG CITY
PTR No. [redacted] / MANDALUYONG CITY
IBP SI No. [redacted]
ROLL OF [redacted]

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BANK OF COMMERCE

CONDENSED INTERIM FINANCIAL STATEMENTS
As of September 30, 2026 (Unaudited) and December 31, 2025 (Audited)
and for the nine months ended September 30, 2026 and 2025 (Unaudited)

BANK OF COMMERCE
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	**September 30, 2026 (Unaudited)**	December 31, 2025 (Audited)
ASSETS			
Cash and Other Cash Items		**P4,767,843,537**	P3,549,485,190
Due from Bangko Sentral ng Pilipinas		**14,891,041,395**	18,053,931,266
Due from Other Banks		**8,712,577,699**	2,105,187,140
Interbank Loans Receivable and Securities Purchased under Resale Agreements	*8*	**240,599,369**	7,647,508,000
Financial Assets at Fair Value through Profit or Loss	*9*	**2,881,923,201**	5,169,707,944
Financial Assets at Fair Value through Other Comprehensive Income	*10*	**30,736,454,738**	35,018,310,326
Investment Securities at Amortized Cost	*11*	**51,806,681,379**	41,371,074,917
Loans and Receivables	*12*	**162,889,327,296**	162,819,304,700
Investment in an Associate		**32,923,124**	33,421,266
Property, Equipment and Right-of-Use Assets		**1,932,032,925**	2,016,723,212
Investment Properties		**3,905,542,767**	4,115,809,308
Deferred Tax Assets		**461,518,109**	269,766,065
Other Assets		**4,756,564,371**	4,683,302,191
		P288,015,029,910	P286,853,531,525
LIABILITIES AND EQUITY			
Deposit Liabilities			
Demand		**P77,955,790,009**	P80,072,537,822
Savings		**121,378,581,744**	118,415,300,363
Time		**24,629,127,487**	24,826,278,213
		223,963,499,240	223,314,116,398
Financial Liabilities at Fair Value through Profit or Loss	*9*	**7,978,523**	2,085,466
Bonds Payable		**17,926,471,755**	17,881,000,871
Manager's Checks		**1,444,690,768**	1,797,802,935
Accrued Interest, Taxes and Other Expenses		**1,674,605,382**	1,349,787,315
Other Liabilities		**6,566,500,877**	5,930,702,162
Total Liabilities		**251,583,746,545**	250,275,495,147
Equity			
Capital stock	*13*	**18,196,805,900**	18,196,805,900
Paid-in surplus	*13*	**7,229,275,360**	7,229,275,360
Surplus reserves		**1,605,848,804**	1,583,791,619
Retained earnings		**12,032,602,034**	9,790,692,161
Net unrealized gains (losses) on financial assets at fair value through other comprehensive income	*10*	**(2,329,202,726)**	99,889,342
Remeasurement losses on retirement asset		**(323,799,559)**	(323,799,559)
Cumulative translation adjustment		**24,927,714**	6,579,908
Share in other comprehensive loss of an associate		**(5,174,162)**	(5,198,353)
Total Equity		**36,431,283,365**	36,578,036,378
		P288,015,029,910	P286,853,531,525

See Notes to Condensed Interim Financial Statements.

BANK OF COMMERCE
CONDENSED INTERIM STATEMENTS OF INCOME

		Nine Months Ended September 30 (Unaudited)		Quarter Ended September 30 (Unaudited)	
	Note	**2026**	2025	**2026**	2025
INTEREST INCOME					
Interest income calculated using the effective interest method:					
Loans and receivables		**P8,716,240,857**	P7,985,433,078	**P3,034,189,563**	P2,747,040,901
Investment securities at fair value through other comprehensive income and at amortized cost		**3,151,019,763**	2,356,752,267	**1,167,015,526**	883,462,736
Interbank loans receivable and securities purchased under resale agreements		**439,820,472**	408,253,234	**115,374,181**	138,555,427
Due from Bangko Sentral ng Pilipinas and other banks		**326,300,584**	247,240,059	**176,734,389**	75,148,084
Other interest income:					
Financial assets at fair value through profit or loss		**172,706,762**	209,403,848	**50,328,341**	79,602,403
		12,806,088,438	11,207,082,486	**4,543,642,000**	3,923,809,551
INTEREST EXPENSE					
Deposit liabilities		**2,280,567,825**	2,190,197,011	**756,654,061**	748,479,837
Bonds payable		**890,991,913**	1,083,863,193	**297,250,607**	414,280,135
Lease liabilities		**30,002,175**	31,065,426	**9,716,731**	10,307,791
Bills payable and other borrowings		**16,637,065**	6,779,684	**4,654,333**	2,115,685
		3,218,198,978	3,311,905,314	**1,068,275,732**	1,175,183,448
NET INTEREST INCOME		**9,587,889,460**	7,895,177,172	**3,475,366,268**	2,748,626,103
Service charges, fees and commissions		**698,682,002**	670,419,884	**291,813,957**	234,966,866
Gains on foreclosure and sale of property and equipment and foreclosed assets - net		**373,816,204**	358,793,781	**33,126,187**	70,094,765
Trading and investment securities gains (losses) - net		**(225,777,558)**	112,879,466	**(88,658,125)**	74,635,401
Foreign exchange gains - net		**154,975,658**	192,487,115	**45,392,129**	89,004,020
Miscellaneous		**110,714,518**	64,432,453	**45,355,389**	17,792,407
TOTAL OPERATING INCOME		**10,700,300,284**	9,294,189,871	**3,802,395,805**	3,235,119,562
Compensation and fringe benefits		**2,522,559,229**	2,284,963,435	**861,426,109**	809,791,521
Taxes and licenses		**1,056,756,175**	850,239,837	**369,876,189**	256,785,486
Rent and utilities		**547,948,192**	519,966,353	**180,364,184**	179,416,425
Depreciation and amortization		**541,815,480**	492,923,393	**183,852,924**	171,579,373
Insurance		**350,710,595**	299,934,216	**134,543,270**	99,554,936
Service fees and commissions		**294,767,804**	302,267,049	**110,152,213**	108,876,666
Provision for credit and impairment losses		**205,778,821**	122,999,003	**197,800,862**	113,811,024
Subscription fees		**173,761,209**	171,835,445	**59,433,518**	58,280,156
Amortization of software costs		**128,054,688**	102,899,377	**42,236,880**	37,186,282
Management and professional fees		**55,628,498**	67,180,759	**19,913,912**	24,635,505
Miscellaneous		**512,912,472**	390,263,895	**168,581,767**	133,715,031
TOTAL OPERATING EXPENSES		**6,390,693,163**	5,605,472,762	**2,328,181,828**	1,993,632,405
INCOME BEFORE SHARE IN NET LOSS OF AN ASSOCIATE AND INCOME TAX EXPENSE		**4,309,607,121**	3,688,717,109	**1,474,213,977**	1,241,487,157
SHARE IN NET LOSS (INCOME) OF AN ASSOCIATE		**522,333**	239,792	**190,186**	(19,149)
INCOME BEFORE INCOME TAX EXPENSE		**4,309,084,788**	3,688,477,317	**1,474,023,791**	1,241,506,306
INCOME TAX EXPENSE		**1,138,761,464**	943,399,002	**412,519,183**	357,120,701
NET INCOME		**P3,170,323,324**	P2,745,078,315	**P1,061,504,608**	P884,385,605
Earnings Per Share Attributable to Equity Holders of the Bank	*16*				
Basic		**P2.10**	P1.81	**P0.70**	P0.58
Diluted		**1.74**	1.51	**0.58**	0.49

See Notes to Condensed Interim Financial Statements.

BANK OF COMMERCE
CONDENSED INTERIM
STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30 (Unaudited)		Quarter Ended September 30 (Unaudited)	
	2026	2025	**2026**	2025
NET INCOME	**P3,170,323,324**	P2,745,078,315	**P1,061,504,608**	P884,385,605
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may not be reclassified to profit or loss				
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)	**14,037,927**	(169,999)	**12,699,636**	(849,999)
	14,037,927	(169,999)	**12,699,636**	(849,999)
Items that may be reclassified to profit or loss				
Net change in fair value of debt securities at FVOCI	**(2,387,341,892)**	531,060,669	**(1,028,667,962)**	297,412,125
Net change in fair value of debt securities at FVOCI taken to profit or loss	**(55,788,103)**	(16,457,282)	**-**	(10,359,707)
Net movement in cumulative translation adjustment	**18,347,806**	(758,296)	**12,322,278**	4,804,201
Share in other comprehensive income of an associate	**24,191**	1,038	**2,252**	201
	(2,424,757,998)	513,846,129	**(1,016,343,432)**	291,856,820
	(2,410,720,071)	513,676,130	**(1,003,643,796)**	291,006,821
TOTAL COMPREHENSIVE INCOME	**P759,603,253**	P3,258,754,445	**P57,860,812**	P1,175,392,426

See Notes to Condensed Interim Financial Statements.

BANK OF COMMERCE
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Note	Capital Stock (Note 13)	Paid-in Surplus (Note 13)	Surplus Reserves	Retained Earnings	Net Unrealized Gains (Losses) on Financial Assets at FVOCI (Note 10)	Remeasurement Losses on Retirement Asset	Cumulative Translation Adjustment	Share in Other Comprehensive Loss of an Associate	Total Equity
Balance as at January 1, 2026 (Audited)		**P18,196,805,900**	**P7,229,275,360**	**P1,583,791,619**	**P9,790,692,161**	**P99,889,342**	**(P323,799,559)**	**P6,579,908**	**(P5,198,353)**	**P36,578,036,378**
Net income for the period		**-**	**-**	**-**	**3,170,323,324**	**-**	**-**	**-**	**-**	**3,170,323,324**
Other comprehensive income (loss) for the period:										
Items that may not be reclassified to profit or loss:										
Net change in fair value of equity securities at fair value through other comprehensive income (FVOCI)		**-**	**-**	**-**	**-**	**14,037,927**	**-**	**-**	**-**	**14,037,927**
Net change in remeasurement losses on retirement asset		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Items that may be reclassified to profit or loss:										
Net change in fair value of debt securities at FVOCI		**-**	**-**	**-**	**-**	**(2,387,341,892)**	**-**	**-**	**-**	**(2,387,341,892)**
Net change in fair value of debt securities at FVOCI taken to profit or loss		**-**	**-**	**-**	**-**	**(55,788,103)**	**-**	**-**	**-**	**(55,788,103)**
Net movement in cumulative translation adjustment		**-**	**-**	**-**	**-**	**-**	**-**	**18,347,806**	**-**	**18,347,806**
Share in other comprehensive income of associate		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24,191**	**24,191**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**3,170,323,324**	**(2,429,092,068)**	**-**	**18,347,806**	**24,191**	**759,603,253**
Cash dividend declared	*13*	**-**	**-**	**-**	**(906,356,266)**	**-**	**-**	**-**	**-**	**(906,356,266)**
Transaction within equity:										
Transfer to surplus reserves		**-**	**-**	**22,057,185**	**(22,057,185)**	**-**	**-**	**-**	**-**	**-**
Transfer of gain on equity securities at FVOCI realized through disposal		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
		-	**-**	**22,057,185**	**(928,413,451)**	**-**	**-**	**-**	**-**	**(906,356,266)**
Balance as at September 30, 2026 (Unaudited)		**P18,196,805,900**	**P7,229,275,360**	**P1,605,848,804**	**P12,032,602,034**	**(P2,329,202,726)**	**(P323,799,559)**	**P24,927,714**	**(P5,174,162)**	**P36,431,283,365**

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

See Notes to Condensed Interim Financial Statements.

BANK OF COMMERCE
CONDENSED INTERIM STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30 (Unaudited)	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax expense	**P4,309,084,788**	P3,688,477,317
Adjustments for:		
Interest expense on bonds payable	**890,991,913**	1,083,863,193
Depreciation and amortization	**541,815,480**	492,923,393
Gain on foreclosure and sale of property and equipment and foreclosed assets - net	**(373,816,204)**	(358,793,781)
Provision for credit and impairment losses	**205,778,821**	122,999,003
Unrealized losses (gains) on financial assets and liabilities at fair value through profit or loss (FVPL)	**190,880,779**	(77,834,774)
Amortization of software costs	**128,054,688**	102,899,377
Gain on sale of financial assets at fair value through other comprehensive income (FVOCI)	**(55,788,103)**	(16,457,282)
Interest expense on lease liabilities	**30,002,175**	31,065,426
Share in net loss of an associate	**522,333**	239,792
Miscellaneous income	**-**	(96,521)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Interbank loans receivables	**-**	138,551,738
Financial assets at FVPL	**2,102,797,021**	(2,012,977,529)
Loans and receivables	**(408,497,424)**	(14,193,678,442)
Other assets	**4,741,544**	54,593,749
Increase (decrease) in:		
Deposit liabilities	**649,382,842**	(3,818,052,483)
Manager's checks	**(353,112,167)**	122,483,391
Accrued interest, taxes and other expenses	**184,868,695**	(11,543,100)
Other liabilities	**718,891,381**	(5,970,078,510)
Net cash generated from (absorbed by) operations	**8,766,598,562**	(20,621,416,043)
Income taxes paid	**(1,081,489,855)**	(853,951,089)
Net cash provided by (used in) operating activities	**7,685,108,707**	(21,475,367,132)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale or redemption of:		
Investment securities at amortized cost	**366,900,128,000**	232,341,110,532
Financial assets at FVOCI	**6,860,300,195**	3,579,824,518
Investment properties	**518,719,852**	481,888,923
Property and equipment	**34,506,736**	36,518,384
Additions to:		
Investment securities at amortized cost	**(377,336,547,120)**	(240,451,512,474)
Financial assets at FVOCI	**(5,060,533,861)**	(15,148,553,712)
Property and equipment	**(276,895,253)**	(243,360,456)
Software costs	**(123,003,609)**	(164,916,023)
Investment properties	**(10,552,034)**	(35,765,192)
Net cash used in investing activities	**(8,493,877,094)**	(19,604,765,500)

	Nine Months Ended September 30 (Unaudited)	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	**(P906,356,266)**	(P851,356,266)
Payment of interest on bonds	**(845,593,623)**	(901,394,870)
Payment of lease liabilities	**(202,256,479)**	(194,136,528)
Issuance of bonds payable	**-**	17,831,211,213
Net cash provided by (used in) financing activities	**(1,954,206,368)**	15,884,323,549
EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS	**18,390,173**	(758,882)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,744,584,582)**	(25,196,567,965)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and other cash items	**3,549,485,190**	4,244,123,801
Due from Bangko Sentral ng Pilipinas	**18,056,368,871**	47,919,926,114
Due from other banks	**2,105,471,380**	3,819,900,855
Interbank loans receivable and securities purchased under resale agreements	**7,648,540,553**	3,449,297,350
	31,359,865,994	59,433,248,120
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and other cash items	**4,767,843,537**	3,202,992,645
Due from Bangko Sentral ng Pilipinas	**14,893,051,956**	11,727,788,146
Due from other banks	**8,713,754,065**	1,929,519,754
Interbank loans receivable and securities purchased under resale agreements	**240,631,854**	17,376,379,610
	P28,615,281,412	P34,236,680,155
CASH FLOWS FROM INTEREST AND DIVIDENDS		
Operating Activities		
Interest received	**P12,730,601,894**	P11,041,970,729
Interest paid	**2,293,394,704**	2,315,027,014
Dividends received	**4,083,048**	2,661,396

See Notes to Condensed Interim Financial Statements.

1. Reporting Entity

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

The Bank provides services such as deposit products, loans and trade finance, domestic and foreign fund transfers, foreign exchange, credit card and trust services. The Bank's principal place of business is at San Miguel Properties Centre, No.7 St. Francis Street, Mandaluyong City. The Bank has a total of 144 banking offices nationwide, including the Head Office and four branch-lite units, as at September 30, 2026 and December 31, 2025.

San Miguel Properties, Inc. (SMPI) and San Miguel Corporation Retirement Plan (SMCRP) hold 31.91% and 30.84% ownership of the Bank's issued common shares, respectively, as at September 30, 2026 and December 31, 2025. Each of these shareholders has significant influence over the Bank. SMC Equivest Corporation holds 100% ownership of the Bank's issued non-voting preferred shares as at September 30, 2026 and December 31, 2025.

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

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

2. Basis of Preparation

Statement of Compliance

The condensed interim financial statements of the Bank have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*, and should be read in conjunction with the Bank's last annual financial statements as at and for the year ended December 31, 2025 (last annual audited financial statements). They do not include all information required for a complete set of financial statements that is compliant with Philippine Financial Reporting Standards (PFRS Accounting Standards). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual audited financial statements.

Basis of Measurement

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

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

Functional and Presentation Currency

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

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

Presentation of Condensed Interim Financial Statements

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

3. Material Accounting Policies

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those applied in the Bank's last annual audited financial statements as at and for the year ended December 31, 2025, except for the adoption of the following amended standards, which became effective beginning January 1, 2026. Unless otherwise indicated, the adoption of these amended standards did not have significant impact on the condensed interim financial statements of the Bank. The Bank has not early adopted any of the standards, interpretations or amendments that has been issued but is not yet effective.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 *Financial Instruments* and PFRS 7 *Financial Instruments: Disclosures)*
- Annual Improvements to PFRS Accounting Standards – Volume 11
    - Gain or Loss on Derecognition (Amendments to PFRS 7)
    - Introduction, Disclosure of Difference Between Fair Value and Transaction Price, and Credit Risk Disclosures (Amendments to Guidance on implementing PFRS 7)
    - Derecognition of Lease Liabilities and Transaction Price (Amendments to PFRS 9)
    - Cost Method (Amendments to PAS 7 *Statement of Cash Flows*)

4. Critical Judgments and Estimates

The preparation of condensed interim financial statements in conformity with PAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses, and disclosures of contingent assets and contingent liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the condensed interim financial statements, the significant judgments made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were consistent with those applied in the Bank's audited financial statements as at and for the year ended December 31, 2025, prepared in accordance with PFRS Accounting Standards. There were no material changes in judgments, estimates and assumptions during the period.

5. Financial Risk Management Objectives and Policies

The Bank is exposed to risk in relation to its operating, investing, and financial activities, and the business environment in which it operates. Its risk mission and objectives are to consistently and accurately measure risks, to always consider risk and return in evaluating transactions and exposures while preserving and maintaining adequate risk-based capital and to ensure adequate returns on such capital. Risk mitigation strategies form an integral part of risk management activities. In managing financial instruments, the Bank is exposed to financial risk such as market risk [including interest rate risk in the banking book (IRRBB)], liquidity risk, and credit risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; hence, they should be read in conjunction with Note 5, Financial Risk Management Objectives and Policies of the annual financial statements as at and for the year ended December 31, 2025.

There have been no significant changes in the risk management structure of the Bank or in any risk management policies since the previous annual period.

6. Categories and Fair Value Measurement

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

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

Debt Securities (Financial Assets at FVPL, Financial Assets at FVOCI, and Investment Securities at Amortized Cost) – Fair values are generally based on quoted market prices. If not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using discounted cash flow methodology.

Equity Securities (Financial Assets at FVOCI) – For quoted securities, fair values are determined based on market prices quoted in an established exchange, or on published quotes by accredited brokers. The Bank's unquoted equity securities are classified as Level 3 in the fair value hierarchy. Their fair values are determined using the adjusted net asset value (ANAV) method, which is considered appropriate as the investees' net assets largely represent their fair value.

The ANAV technique uses the most recent financial statements of the investees and adjusts the recorded net assets to reflect the fair values of significant underlying assets and liabilities. Key unobservable inputs include valuation adjustments to reflect the fair value of financial assets and liabilities measured at amortized cost, as well as remeasurement of property and other non-financial assets to reflect their estimated fair values at the measurement date.

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

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

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

Significant unobservable inputs in determining the fair values include the following:

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

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

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

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

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

	September 30, 2026 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Financial assets at FVPL:					
Government securities	**P2,846,421**	**P666,955**	**P2,179,466**	**P -**	**P2,846,421**
Derivative assets	**35,502**	**-**	**35,502**	**-**	**35,502**
Financial assets at FVOCI:					
Government securities	**30,497,540**	**5,767,427**	**24,730,113**	**-**	**30,497,540**
Equity securities	**238,915**	**500**	**-**	**238,415**	**238,915**
	P33,618,378	**P6,434,882**	**P26,945,081**	**P238,415**	**P33,618,378**
Liabilities Measured at Fair Value					
Financial Liabilities					
Derivative liabilities	**P7,979**	**P -**	**P7,979**	**P -**	**P7,979**

	September 30, 2026 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost:					
Government securities	**P49,802,092**	**P21,138,250**	**P27,271,138**	**P -**	**P48,409,388**
Private debt securities	**2,004,589**	**-**	**1,859,491**	**-**	**1,859,491**
Loans and receivables:					
Receivables from customers	**159,903,674**	**-**	**-**	**150,657,867**	**150,657,867**
Less unearned interest	**112,671**	**-**	**-**	**112,671**	**112,671**
	159,791,003	**-**	**-**	**150,545,196**	**150,545,196**
Sales contract receivables	**203,898**	**-**	**-**	**206,320**	**206,320**
	211,801,582	**21,138,250**	**29,130,629**	**150,751,516**	**150,751,516**
Non-financial Assets					
Investment properties	**3,905,543**	**-**	**-**	**10,712,327**	**10,712,327**
	P215,707,125	**P21,138,250**	**P29,130,629**	**P161,463,843**	**P211,733,722**
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	**P24,629,127**	**P -**	**P24,618,495**	**P -**	**P24,618,495**
Bonds payable	**17,926,472**	**-**	**17,613,384**	**-**	**17,613,384**
	P42,555,599	**P -**	**P42,231,879**	**P -**	**P42,231,879**

	December 31, 2025 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets:					
Financial assets at FVPL:					
Government securities	P5,132,998	P4,560,287	P572,711	P -	P5,132,998
Derivative assets	36,710	-	36,710	-	36,710
Financial assets at FVOCI:					
Government securities	34,793,434	15,314,787	19,478,647	-	34,793,434
Equity securities	224,877	500	-	224,377	224,877
	P40,188,019	P19,875,574	P20,088,068	P224,377	P40,188,019
Liabilities Measured at Fair Value					
Financial Liabilities					
Derivative liabilities	P2,085	P -	P2,085	P -	P2,085
Assets for which Fair Values are Disclosed					
Financial Assets:					
Investment securities at amortized cost:					
Government securities	P39,475,179	P23,056,328	P16,337,158	P -	P39,393,486
Private debt securities	1,895,896	-	1,806,596	-	1,806,596
Loans and receivables:					
Receivables from customers	159,964,965	-	-	161,509,318	161,509,318
Less unearned interest	83,143	-	-	83,143	83,143
	159,881,822	-	-	161,426,175	161,426,175
Sales contract receivables	225,420	-	-	235,932	235,932
	201,478,317	23,056,328	18,143,754	161,662,107	202,862,189
Non-financial Assets					
Investment properties	4,115,809	-	-	11,087,389	11,087,389
	P205,594,126	P23,056,328	P18,143,754	P172,749,496	P213,949,578
Liabilities for which Fair Values are Disclosed					
Financial Liabilities:					
Deposit liabilities					
Time	P24,826,278	P -	P24,817,534	P -	P24,817,534
Bonds payable	17,881,001	-	18,077,148	-	18,077,148
	P42,707,279	P -	P42,894,682	P -	P42,894,682

In 2026 and 2025, due to changes in market conditions for certain government securities measured at FVPL and FVOCI, quoted prices in active markets were not available for these securities. However, there was sufficient information available to measure the fair values of these securities based on observable market inputs. Therefore, these securities at FVPL and FVOCI, with carrying amounts of P1.4 billion and P6.7 billion, respectively, in 2026 and P225.7 million and P3.3 billion, respectively, in 2025, were transferred from Level 1 to Level 2 of the fair value hierarchy.

Securities at FVPL and FVOCI, with a carrying amount of P0.2 million and P2.2 billion, respectively, in 2026 and P0.5 million and P4.3 billion, respectively, in 2025, were transferred from Level 2 to Level 1 of the fair value hierarchy since quoted prices in active markets were already available.

In 2026 and 2025, there have been no transfers into and out of Level 3 of the fair value hierarchy.

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. For unquoted equity securities, fair values are estimated using valuation techniques such as the adjusted net asset value method.

The carrying values of financial assets and liabilities not included in the fair value hierarchy table shown above approximate their respective fair values as at September 30, 2026 and December 31, 2025.

7. Segment Reporting

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

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

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

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

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

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

Segment assets and liabilities comprise operating assets and liabilities, including borrowings. Revenues and expenses that are directly attributable to a particular business segment and the relevant portions of the Bank's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment. Transactions between the business segments are carried out at arm's length. The Bank uses an Internal Funds Transfer Pricing rate to allocate the cost of funds or to recognize internal revenue for deposit takers. Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense. The Bank has no single customer that contributes 10.0% or more of the Bank's revenue net of interest expense. Internal charges and transfer pricing adjustments have been reflected in the performance of each business.

The segment information of the Bank for the nine months ended September 30, 2026 and 2025 for statement of income items, and as at September 30, 2026 and December 31, 2025 for statement of financial position items follow (amounts in millions):

	September 30, 2026 (Unaudited)					
	Treasury Management Group	**Corporate Banking Group**	**Branch Banking Group**	**Consumer Group**	**Others**	**Total**
Statement of Income						
Net interest income:						
Third party	**P2,736**	**P7,252**	**(P1,891)**	**P1,198**	**P293**	**P9,588**
Intersegment	**(2,195)**	**(5,921)**	**7,582**	**(933)**	**1,467**	**-**
Net interest income	**541**	**1,331**	**5,691**	**265**	**1,760**	**9,588**
Non-interest income	**(63)**	**60**	**41**	**51**	**1,023**	**1,112**
Total revenues	**478**	**1,391**	**5,732**	**316**	**2,783**	**10,700**
Compensation and fringe benefits	**23**	**28**	**429**	**70**	**1,972**	**2,522**
General and administrative expenses	**82**	**13**	**1,061**	**39**	**1,410**	**2,605**
Taxes and licenses	**226**	**338**	**453**	**65**	**(25)**	**1,057**
Total expenses	**331**	**379**	**1,943**	**174**	**3,357**	**6,184**
Income (losses) before provision for credit losses and income tax expense	**P147**	**P1,012**	**P3,789**	**P142**	**(P574)**	**P4,516**
Provision for credit and impairment losses						**P206**
Share in net loss of an associate						**1**
Income tax expense						**1,139**
Net income						**P3,170**
Other Segment Information						
Capital expenditures	**P3**	**P4**	**P45**	**P5**	**P122**	**P179**
Depreciation and amortization	**P4**	**P3**	**P87**	**P5**	**P571**	**P670**
Statement of Financial Position						
Total assets	**P93,584**	**P140,620**	**P21,893**	**P21,375**	**P10,543**	**P288,015**
Total liabilities	**28,325**	**218**	**216,628**	**80**	**6,333**	**251,584**

	September 30, 2025 (Unaudited)					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Income						
Net interest income:						
Third party	P2,010	P6,733	(P2,122)	P997	P237	P7,895
Intersegment	(1,768)	(5,557)	6,720	(771)	1,376	-
Net interest income	242	1,216	4,598	226	1,613	7,895
Non-interest income	307	40	54	42	956	1,399
Total revenues	549	1,256	4,652	268	2,569	9,294
Compensation and fringe benefits	22	29	453	63	1,718	2,285
General and administrative expenses	61	14	971	35	1,267	2,348
Taxes and licenses	192	311	329	56	(38)	850
Total expenses	275	354	1,753	154	2,947	5,483
Income (losses) before provision for credit losses and income tax expense	P274	P902	P2,899	P114	(P378)	P3,811
Provision for credit and impairment losses						P123
Share in net loss of an associate						-
Income tax expense						943
Net income						P2,745
Other Segment Information						
Capital expenditures	P6	P1	P54	P4	P130	P195
Depreciation and amortization	P4	P4	P72	P6	P510	P596

	December 31, 2025 (Audited)					
	Treasury Management Group	Corporate Banking Group	Branch Banking Group	Consumer Group	Others	Total
Statement of Financial Position						
Total assets	P95,200	P142,711	P18,286	P19,251	P11,406	P286,854
Total liabilities	29,466	203	215,464	61	5,081	250,275

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

General and administrative expenses consist of rent and utilities, depreciation and amortization, insurance, service fees and commissions, subscription fees, management and professional fees, amortization of software costs, and miscellaneous expense.

8. Interbank Loans Receivable and Securities Purchased under Resale Agreements

This account consists of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Interbank loans receivable	**P240,631,854**	P2,148,540,553
SPURA	**-**	5,500,000,000
	240,631,854	7,648,540,553
Less allowance for credit losses	**32,485**	1,032,553
	P240,599,369	P7,647,508,000

Interbank loans receivable consists of overnight lending placements and short-term loans with original maturities of three months or less from the date of placement granted to other banks.

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

The decrease in interbank loans receivable and SPURA balances was primarily attributable to the strategic redeployment of excess liquidity into the BSP Overnight Deposit Facility (ODF), in line with the Bank's liquidity management strategy.

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

Financial assets at FVPL consist of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Government securities	**P2,846,420,710**	P5,132,997,906
Derivative assets	**35,502,491**	36,710,038
	P2,881,923,201	P5,169,707,944

As at September 30, 2026 and December 31, 2025, financial assets and liabilities at FVPL are adjusted for unrealized loss of P190.9 million and unrealized gain of P65.0 million, respectively.

Derivative Financial Instruments

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

Forward swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future. As at September 30, 2026, these pertain to four (4) contracts with notional amount of $10.0 million each and 10 contracts with notional amount of $5.0 million each. The Bank has 4 contracts with notional amount of $5.0 million each, one contract with notional amount of $10.0 million and two contracts with notional amount of €2.5 million each as at December 31, 2025.

The Bank also enters into bond futures contracts as part of its trading activities. As at September 30, 2026, this pertains to one contract with notional amount of $3.0 million. The Bank has no bond future contracts as at December 31, 2025.

The table below shows the fair values of derivative financial instruments entered into by the Bank, recorded as derivative assets or derivative liabilities, together with the notional amount. The notional amount is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amount indicates the volume of transactions outstanding as at September 30, 2026 and December 31, 2025 and is not indicative of either market risk or credit risk.

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Derivative Assets	**Notional Amount**	Derivative Assets	Notional Amount
Freestanding derivatives:				
Warrants	**P31,320,000**	**$50,000**	P29,395,000	$50,000
Forwards	**4,182,491**	**40,000,000**	7,315,038	20,000,000
	P35,502,491	**$40,050,000**	P36,710,038	$20,050,000

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Derivative Liabilities	**Notional Amount**	Derivative Liabilities	Notional Amount
Freestanding derivatives:				
Forwards	**P7,038,923**	**$50,000,000**	P1,971,325	$10,000,000
Bond Futures	**939,600**	**3,000,000**	-	-
Forwards	**-**	**-**	114,141	€5,000,000
	P7,978,523	**$53,000,000**	P2,085,466	

10. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Government securities	**P30,497,540,086**	P34,793,433,601
Equity securities	**238,914,652**	224,876,725
	P30,736,454,738	P35,018,310,326

As at September 30, 2026 and December 31, 2025, the expected credit loss (ECL) allowance on debt securities at FVOCI included under "Net unrealized gains (losses) on financial assets at FVOCI" amounted to P3.0 million and P3.2 million, respectively.

Net Unrealized Gains (Losses) on Financial Assets at FVOCI
The movements of net unrealized gains (losses) on financial assets at FVOCI follow:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of period	**P99,889,342**	(P534,761,685)
Net unrealized gains (losses) recognized as OCI	**(2,482,094,593)**	801,574,327
Effect of tax	**109,001,687**	(136,437,696)
Realized gains taken to profit or loss	**(55,788,103)**	(16,457,282)
Movement of ECL on debt securities at FVOCI	**(211,059)**	1,254,079
Net change in unrealized gains (losses) recorded in OCI	**(2,429,092,068)**	649,933,428
Realized gains taken to retained earnings	**-**	(15,282,401)
Balance at end of period	**(P2,329,202,726)**	P99,889,342

The net unrealized loss recognized on financial assets at FVOCI as at September 30, 2026 is primarily attributable to changes in market conditions, including higher oil prices, increased inflation expectations, and geopolitical uncertainties, which resulted in a decline in the fair values of the Bank's debt securities as interest rates and future interest rate expectations increase. Even with this environment, the Bank's risk appetite remains the same, and it continues executing the same risk strategies and practices as last year. As at September 30, 2026 and December 31, 2025, the Bank's Capital Adequacy Ratio (CAR) of 16.06% and 16.48%, respectively, remains above the minimum 10.00% requirement.

11. Investment Securities at Amortized Cost

This account consists of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Government securities	**P49,807,447,713**	P39,479,667,743
Private debt securities	**2,004,818,788**	1,896,105,862
	51,812,266,501	41,375,773,605
Less allowance for credit losses	**5,585,122**	4,698,688
	P51,806,681,379	P41,371,074,917

No investment securities at amortized cost were sold in 2026 and 2025.

During the nine-month period, the Bank expanded its holdings of government securities to take advantage of the prevailing high-interest-rate environment resulting from inflationary pressures and geopolitical developments. This strategic portfolio reallocation enhanced the contribution of these securities to the Bank's investment portfolio, providing a stable source of interest income and reducing earnings volatility arising from market price fluctuation.

12. Loans and Receivables

This account consists of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Receivables from customers:		
Term loans	**P123,887,328,928**	P124,556,652,487
Housing loans	**13,708,778,470**	12,283,490,731
Agri-agra loans	**11,705,633,092**	13,596,027,710
Auto loans	**7,017,468,171**	6,335,496,146
Bills purchased, import bills and trust receipts	**1,629,226,028**	1,543,834,876
Direct advances	**371,358,474**	364,480,041
Others	**3,611,405,176**	3,127,426,049
	161,931,198,339	161,807,408,040
Less unearned interest income	**112,670,503**	83,143,147
	161,818,527,836	161,724,264,893
Accrued interest receivable:		
Loans and receivables	**1,459,574,936**	1,222,141,660
Trading and investment securities	**938,025,711**	955,491,708
Due from BSP and other banks	**900,000**	1,813,333
Interbank loans receivable and SPURA	**211,603**	2,224,577
Accounts receivable	**1,439,516,737**	1,452,597,335
Unquoted debt securities	**291,578,227**	291,578,219
Sales contract receivables	**259,570,321**	281,310,365
RCOCI	**443,464**	3,337,849
	166,208,348,835	165,934,759,939
Less allowance for credit losses	**3,319,021,539**	3,115,455,239
	P162,889,327,296	P162,819,304,700

Bills purchased, import bills and trust receipts include bills purchased with contra account in “Bills purchased - contra” under “Other Liabilities” in the statements of financial position amounting to P1.6 billion and P1.5 billion as at September 30, 2026 and December 31, 2025, respectively.

As at September 30, 2026 and December 31, 2025, the non-performing loans of the Bank amounted to P2.46 billion and P2.22 billion, respectively. Gross and net NPL ratios of the Bank are 1.52% and 0.63%, respectively, as at September 30, 2026 and 1.33% and 0.62%, respectively, as at December 31, 2025.

The movements in ECL allowances as at September 30, 2026 and December 31, 2025 on loans and receivables are summarized as follows (amounts in thousands):

	September 30, 2026 (Unaudited)		
	Receivables from Customers	**Sales Contract and Other Receivables**	**Total**
ECL Loans, January 1, 2026	**P1,842,443**	**P1,273,012**	**P3,115,455**
Provisions for credit and impairment losses	**204,547**	**16,261**	**220,808**
Foreign exchange differences	**16,908**	**7,187**	**24,095**
Movement due to foreclosure/ settlement	**(36,373)**	**(4,963)**	**(41,336)**
ECL Loans, September 30, 2026	**P2,027,525**	**P1,291,497**	**P3,319,022**

	December 31, 2025 (Audited)		
	Receivables from Customers	Sales Contract and Other Receivables	Total
ECL Loans, January 1, 2025	P1,651,407	P1,215,778	P2,867,185
Provisions for credit and impairment losses	342,670	59,497	402,167
Foreign exchange differences	5,756	1,767	7,523
Write-off	(123,625)	(502)	(124,127)
Movement due to foreclosure/ settlement	(33,765)	(3,528)	(37,293)
ECL Loans, December 31, 2025	P1,842,443	P1,273,012	P3,115,455

13. Equity

As at September 30, 2026 and December 31, 2025, the Bank's capital stock consists of the following:

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

Cash Dividend

On May 26, 2026, the BOD declared cash dividends amounting to P906.4 million or equivalent to P0.25 regular dividend per common share, P0.20 special dividend per common share, and P0.66 per preferred share, payable on July 15, 2026 to all stockholders of record as at June 19, 2026.

14. Related Party Transactions

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

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

14.1 Loans and Receivables

In the ordinary course of business, the Bank grants loans and other credit accommodations to related parties, including term, housing, auto, salary and personal loans. Transactions with related parties also include bank guarantees, outstanding letters of credit and committed credit lines extended in accordance with approved credit facilities.

As at September 30, 2026 and December 31, 2025, total loans and receivables to related parties amounted to P71.0 billion and P68.1 billion, respectively. Under existing policies of the Bank, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

Interest income arising from these transactions amounted to P4.0 billion for both the nine-month periods ended September 30, 2026 and 2025.

Under current banking regulations, the total outstanding loans, other credit accommodations and guarantees to each DOSRI shall be limited to an amount equivalent to the respective unencumbered deposits and book value of paid-in capital contributions in the Bank. In addition, unsecured loans, other credit accommodations and guarantees granted to each DOSRI shall not exceed 30% of the total outstanding loans, other credit accommodations and guarantees of the respective DOSRI. Loans, other credit accommodations and guarantees granted for project finance purposes may be exempt from the unsecured individual ceiling during the project gestation phase, subject to applicable regulatory requirements and the establishment of appropriate prudential safeguards.

The Bank has no outstanding DOSRI loans as at September 30, 2026 and December 31, 2025.

14.2 Deposit Liabilities

Related parties maintain current, savings and time deposit accounts with the Bank. These deposit accounts earn or bear interest at prevailing market rates and are subject to the same terms and conditions applicable to similar transactions with non-related parties.

The outstanding balances for deposit liabilities with its related parties as at September 30, 2026 and December 31, 2025 amounted to P69.8 billion and P86.4 billion, respectively.

Interest expense arising from these arrangements is recognized based on the applicable contractual terms. Such expense amounted to P72.8 million and P239.1 million for the nine-month periods ended September 30, 2026 and 2025, respectively. The related accrued interest payable amounted to P42.2 million as at September 30, 2026 and P55.5 million as at December 31, 2025.

14.3 Investment in an Associate

The Bank holds a 24.26% equity interest in BIC Management and Consultancy, Inc. (BIC), over which the Bank exercises significant influence. The investment is accounted for using the equity method, whereby the carrying amount of the investment is adjusted to recognize the Bank's share in BIC's profit or loss and other changes in equity.

Share in net loss of BIC amounted to P0.5 million and P0.2 million for the nine-month periods ended September 30, 2026 and 2025, respectively.

14.4 Retirement Plan

The Bank's retirement plan is managed and administered by the Bank's Trust Services Group under an Investment Management Account (IMA) Agreement. Under the arrangement, the trustee is responsible for the investment and administration of the retirement fund assets in accordance with the terms of the IMA Agreement, applicable regulations and investment guidelines approved by the Board of Trustees of the retirement plan.

Retirement fund assets include deposits with the Bank, investment securities, loans and other receivables, and other eligible financial instruments. Trust fees and other administrative charges are recognized in accordance with the provisions of the IMA Agreement.

14.5 Investor Trust Accounts

The Bank's Trust Services Group also manages and administers trust accounts of certain investors under separate Investment Management Account arrangements. These transactions are undertaken in a fiduciary capacity and are governed by the respective trust and investment management agreements and applicable regulations.

14.6 Cash Dividends

During the nine-month period ended September 30, 2026, the Bank declared dividends to its shareholders, including related parties, in proportion to their respective shareholdings (see Note 13). Dividends paid to related parties amounted to P752.2 million.

14.7 Compensation of Key Management Personnel

Key management personnel comprise directors and executive officers having authority and responsibility for planning, directing and controlling the activities of the Bank. Compensation includes short-term employee benefits, post-employment benefits and directors' fees, which are determined and approved in accordance with the Bank's governance policies and applicable regulations.

The compensation of key management personnel of the Bank follows:

	Nine Months Ended September 30 (Unaudited)	
	2026	2025
Short-term employee benefits	**P733,911,684**	P694,136,395
Post-employment benefits	**66,560,067**	51,702,384
	P800,471,751	P745,838,779

15. Commitments and Contingencies

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

The following is a summary of the Bank's commitments and contingencies at their peso equivalent contractual amounts arising from off-books accounts as at September 30, 2026 and December 31, 2025:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Contingent assets:		
Future/spot exchange bought	**P5,814,812,945**	P1,257,580,329
Fixed income securities purchased	**701,163,363**	2,574,327
Outward bills for collection	**826,397**	-
	P6,516,802,705	P1,260,154,656
Commitments and contingent liabilities:		
Trust department accounts	**P83,185,430,702**	P68,650,340,458
Committed credit line	**19,928,546,224**	17,379,461,505
Unused commercial letters of credit	**11,140,244,631**	6,614,545,656
Future/spot exchange sold	**5,973,630,375**	1,837,127,054
Credit card lines	**5,002,257,745**	4,427,078,211
Outstanding guarantees	**1,569,185,243**	2,509,497,648
Fixed income securities sold	**701,163,363**	2,574,326
Inward Bills for Collection-Domestic	**219,369,004**	197,314,203
Retirement obligations	**166,555,598**	166,555,598
Late deposits/payments received	**632,179**	632,179
Items held for safekeeping/securities held as collateral	**156,656**	58,653
	P127,887,171,720	P101,785,185,491

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

Other Commitments

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

No asset is being pledged by the Bank to secure outstanding liabilities as at September 30, 2026 and December 31, 2025.

16. Financial Performance Indicators

Basic earnings per share amounts were computed as follows:

		Nine Months Ended September 30 (Unaudited)	
		2026	2025
a.	Net income	**P3,170,323,324**	P2,745,078,315
b.	Dividends on preferred shares*	**226,875,002**	210,833,335
c.	Net income to equity holders of the Bank	**2,943,448,322**	2,534,244,980
d.	Weighted average number of outstanding common shares	**1,403,013,920**	1,403,013,920
e.	Basic earnings per share (c/d)	**P2.10**	P1.81

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

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

		Nine Months Ended September 30 (Unaudited)	
		2026	2025
a.	Net income to equity holders of the Bank	**P3,170,323,324**	P2,745,078,315
b.	Weighted average number of outstanding common shares and dilutive preferred shares		
	Outstanding common shares	**1,403,013,920**	1,403,013,920
	Potential common shares from assumed conversion of preferred shares	**416,666,670**	416,666,670
c.	Total weighted average common shares	**1,819,680,590**	1,819,680,590
d.	Diluted earnings per share (a/c)	**P1.74**	P1.51

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

	Nine Months Ended September 30 (Unaudited)	
	2026	2025
Return on average equity	**11.58%**	10.63%
Return on average assets	**1.47%**	1.35%
Net interest margin on average earning assets	**4.88%**	4.34%

17. Events after the Reporting Date

On October 26, 2026, the Bank announced the public offering of the fourth tranche of its Peso Bond Programme, consisting of dual-tranche fixed-rate bonds with a minimum aggregate issue size of P5.0 billion and an oversubscription option. The offering comprised: (i) Series E Bonds due 2028 with a tenor of 1.5 years and a fixed interest rate of 6.9882% per annum, and (ii) Series F Bonds due 2029 with a tenor of 3 years and a fixed interest rate of 7.6563% per annum, with interest payable quarterly. The offer period commenced on October 26, 2026 and closed on November 4, 2026. The bonds were subsequently issued and listed on the Philippine Dealing & Exchange Corp. on November 11, 2026.

Subject to the approval of the relevant government regulatory agencies, on October 27, 2026, the BOD, pursuant to authority delegated by the stockholders, approved an amendment to Article II, Section 2 of the Bank's By-Laws changing the schedule of the annual stockholders' meeting from the last Tuesday of May to the month of June, on such day, time, and place as may be determined by the BOD.

18. Other Matters

Other than the disclosures enumerated above, the Bank has no significant matters to report on the following items during the nine months ended September 30, 2026:

- Unusual items because of their nature, size or incidents affecting assets, liabilities, equity, net income or cash flows;
- Any known trends, demands, commitments, events or uncertainties that will have a material impact on liquidity and on sales/revenues from continuing operations;
- Explanatory comments about seasonality or cyclicality of interim operations;
- Issuances, repurchases, and repayments of debt and equity securities; and
- Any material commitments for capital expenditures.

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
BANK OF COMMERCE

	September 30, 2026	December 31, 2025
Current ratio	**0.39**	0.44
Acid test ratio	**0.38**	0.43
Debt-to-equity ratio	**6.91**	6.84
Asset-to-equity ratio	**7.91**	7.84
Debt-to-asset ratio	**0.87**	0.87
Loans to deposit Ratio	**0.72**	0.75
Non-performing loans ratio - Gross (%)*	**1.52**	1.33
Non-performing loans ratio - Net (%)*	**0.63**	0.62
Non-performing loan (NPL) cover (%)	**82.27**	82.98
Capital Adequacy Ratio (%)	**16.06**	16.48

	September 30, 2026	September 30, 2025
Return on average assets (%)	**1.47**	1.35
Return on average equity (%)	**11.58**	10.63
Net interest margin (%)	**4.88**	4.34
Net profit margin (%)	**29.63**	29.54
Cost to income ratio	**0.58**	0.59
Interest rate coverage ratio	**2.34**	2.11
Solvency ratio	**0.02**	0.02

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

BANK OF COMMERCE

AGING OF ACCOUNTS RECEIVABLE
AS OF SEPTEMBER 30, 2026
(in thousands)

No. of Days Outstanding	**Amount**
0 to 30 days	P 679,167
31 to 60 days	21,233
61 to 90 days	4,385
91 to 360 days	120,677
above 360 days	614,055
Accounts Receivable - Gross	1,439,517
Less: Allowance for Probable Losses	769,553
Accounts Receivable - Net	**P 669,964**

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Statement of Income for the period ended September 30, 2026 vs September 30, 2025

For the nine months ended September 30, 2026, Bank of Commerce posted an unaudited net income of ₱3.17 billion, representing a 15% increase from the ₱2.75 billion in the same period last year. The improvement in profitability was primarily driven by the growth in net interest income, supplemented by higher service charges, fees and commissions as well as gains from sale of properties and assets, highlighting the Bank's ability to generate sustainable earnings from its core business operations.

The Bank's strong earnings performance translated into a return on equity (ROE) of 11.58% reflecting management's effective deployment of capital, continued operational efficiency, and commitment to delivering value to shareholders amid a volatile market environment.

Interest income from loans and receivables, accounting for 68% of total interest revenue, was up by 9.15% to ₱8.72 billion, from ₱7.99 billion in the same period of 2025. This growth was primarily driven by the sustained expansion of the Bank's lending portfolio across all segments on an average daily balance basis, supplemented by the impact of BSP's policy rate hikes implemented since April this year.

Interest income from investment securities measured at FVOCI and amortized cost likewise increased by 33.70% to ₱3.15 billion, compared with ₱2.36 billion in the same period last year, mainly driven by additional investments in government securities. In contrast, interest income from financial assets at FVPL declined by 17.52% to ₱172.71 million from ₱209.40 million in the prior year, as the Bank minimized its position at the onset of the war in the Middle East.

Interest income from interbank loans receivable and SPURA rose by 7.73% year-on-year, amounting to ₱439.82 million versus the ₱408.25 million, backed by higher earnings from call loans and placements under reverse repurchase agreements. Similarly, interest income on Due from the Bangko Sentral ng Pilipinas (BSP) and other banks increased by 31.98% to ₱326.30 million from ₱247.24 million from the previous year mainly attributable to higher returns generated from placements in foreign banks.

Total interest expense decreased by 2.83% to ₱3.22 billion from ₱3.31 billion recorded in the same period last year. The reduction was largely attributable to lower interest expenses on bonds payable, which declined by 17.19% to ₱890.99 million from ₱1.08 billion of the same period last year, due to the maturity of its ₱6.57 billion Series B bonds on November 16, 2025. Interest expense on lease liabilities decreased by 3.42% to ₱30.00 million from ₱31.07 million in the same period last year. Meanwhile, interest expense on deposits increased by 4.13% to ₱2.28 billion from ₱2.19 billion, reflecting disciplined funding strategies. Interest expense on bills payable and other borrowings also increased to ₱16.64 million, more than 2x the ₱6.78 million recorded in the same period last year driven by the bank's significant overnight borrowings to address short-term liquidity requirements.

The Bank posted a net interest margin (NIM) of 4.88%, highest since SMC acquisition, reflecting enhanced asset yield management and disciplined management of funding.

Total other income declined by 20.49% year-on-year to ₱1.11 billion from ₱1.40 billion. The decrease was largely due to trading losses recognized during the period amid market volatility; however, the impact was partly offset by higher revenues from service charges, fees and commissions, as well as increased miscellaneous income.

Trading operations posted losses of ₱225.78 million, reflecting unfavorable movements across domestic and global financial markets. Meanwhile, foreign exchange gains decreased by 19.49% year-on-year to ₱154.98 million from ₱192.49 million, primarily due to unfavorable movements in the USD-PHP exchange rate.

Despite heightened market volatility and geopolitical uncertainties, the Bank continued to generate revenues from its non-interest income sources. Service charges, fees, and commissions amounted to ₱698.68 million, 4.22% higher compared with that of the same period last year, supported by higher underwriting and mastercard fees. Gains on foreclosure and sale of property and equipment and foreclosed assets grew by 4.19% to ₱373.82 million from ₱358.79 million as of September 30, 2025, mainly due to the higher revenues from the sale of bank foreclosed assets. While miscellaneous income rose to ₱110.72 million, 1.7x the ₱64.43 million recorded in the same period last year due to higher dividend income.

Total operating expenses (OPEX) amounted to ₱6.39 billion, up 14.01% from the ₱5.61 billion in the corresponding period of 2025. The increase reflects the Bank's continued investments in human capital, higher volume of transactions subject to tax, as well as to insurance expenses. Despite the uptrend, cost-to-income ratio improved to 58%, compared with 59% as of September 30, 2025, marking its best level since the SMC acquisition. This improvement underscores the Bank’s sustained operational efficiency and ability to generate stronger revenue growth while maintaining disciplined cost management.

Compensation expenses grew by 10.40% to ₱2.52 billion from ₱2.28 billion at end-September 2025, primarily driven by workforce expansion and implementation of employee retention and talent development initiatives to support the Bank’s growing business.

Taxes and licenses amounted to ₱1.06 billion, 24.29% higher year-on-year from ₱850.24 million driven by increased gross receipts taxes on increased GRT-subject transactions and higher documentary stamp taxes resulting from the Bank's increased transaction volume and business growth. Rent and utilities expenses increased by 5.38% to ₱547.95 million from ₱519.97 million, driven by the Bank's continued network expansion through establishment of additional branch lite units, as well as higher expenses for utilities, rental of bank premises, and repairs and maintenance.

Depreciation and amortization expenses increased by 9.92% to ₱541.82 million from ₱492.92 million in the same period in 2025, due to higher depreciation of leasehold rights as well as other properties acquired. Similarly, amortization of software costs increased by 24.45% year-on-year to ₱128.06 million from ₱102.90 million due to continued investments in technology and software services.

Insurance expenses rose to ₱350.71 million, up 16.93% from ₱299.93 million in the corresponding period of 2025, primarily due to higher PDIC premiums on deposits. Subscription fees inched up by 1.12% year-on-year to ₱173.76 million.

On the other hand, service fees and commissions expense moderately decreased by 2.48% year-on-year to ₱294.77 million from ₱302.27 million, attributable to lower expenses transaction fees during the period. Management and professional fees decreased by 17.20% to ₱55.63 million from ₱67.18 million recorded in the same period last year.

Miscellaneous expenses increased by 31.43% to ₱512.91 million from ₱390.26 million recorded in the same period last year, primarily driven by higher expense on marketing and publicity, membership dues, and other expenses.

Meanwhile, the Bank maintained a disciplined risk management approach by recognizing ₱205.78 million in provisions for credit and impairment losses, representing a 40.23% increase compared to the same period last year, in line with its established risk appetite.

The Bank recognized a share in the net loss of its associate amounting to ₱0.52 million during the first nine months of 2026 versus the ₱0.24 million in the same period last year.

Income tax expense totaled ₱1.14 billion, representing a 20.71% increase from ₱943.40 million recorded in the corresponding period of 2025, consistent with the growth in the Bank's taxable income during the period.

Statement of Comprehensive Income for the period ended September 30, 2026 vs September 30, 2025

The bank has posted a total comprehensive income amounting to ₱759.60 million, a 76.69% decrease from the ₱3.26 billion reported in the same period last year. This is due to the unfavorable movements in the fair value of FVOCI debt securities of the bank.

Statement of Condition as of September 30, 2026 vs. December 31, 2025

As of September 30, 2026, Bank of Commerce's total assets stood at ₱288.01 billion, translating to a Return on Assets (ROA) of 1.47%, the highest level since San Miguel Corporation’s (SMC) acquisition. The Bank maintained a strong asset base supported by sustained liquidity, strategic portfolio allocation, and continued growth in its core lending business.

Cash and other cash items increased by 34.32% to ₱4.77 billion, reflecting the Bank's strong liquidity position and growth in deposit balances. Meanwhile, due from BSP decreased to ₱14.89 billion from ₱18.05 billion as of December 31, 2025, primarily due to lower demand deposit account (DDA) and local currency placements with the central bank. Due from other banks, on the other hand, more than quadrupled to ₱8.71 billion from ₱2.11 billion as of end-December 2025, driven by increased placements with foreign banks as part of the Bank's liquidity and treasury management initiatives.

Interbank loans receivable declined to ₱240.60 million, representing a 96.85% decrease from ₱7.65 billion as of December 31, 2025. The decline primarily reflected lower outstanding placements related to reverse repurchase agreement transactions during the period, as excess liquidity was strategically redeployed to higher-yielding earning assets to optimize returns.

Financial Assets at Fair Value through Profit or Loss (FVPL) and Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) decreased to ₱2.88 billion and ₱30.74 billion, respectively, from ₱5.17 billion and ₱35.02 billion as of December 31, 2025. These portfolio reductions were strategically undertaken to mitigate mark-to-market losses resulting from geopolitical tensions in the Middle East. In contrast, Investment Securities at Amortized Cost increased by 25.22% to ₱51.80 billion. The Bank successfully maintained its bond funding base from ₱41.37 billion on December 31, 2025, driven by additional investments in government securities to lock in higher yields.

Loans and receivables, which comprised 56.56% of the Bank's total assets, amounted to ₱162.89 billion, remained relatively stable with a marginal increase from ₱162.82 billion as of December 31, 2025. The Bank maintained its loan portfolio focus on the resilient SMC ecosystem and credit worthy consumer borrowers.

Property and equipment declined slightly by 4.20% to ₱1.93 billion from ₱2.02 billion, while investment properties decreased by 5.11% to ₱3.91 billion from ₱4.12 billion, mainly due to the sale of foreclosed properties. Likewise, the Bank's investment in an associate decreased marginally by 1.49% to ₱32.92 million at end-September 2026.

Deferred tax assets increased significantly by 71.08% to ₱461.52 million from ₱269.77 million as of end-December 2025 as the Bank recognized more deferred income tax. Meanwhile, other assets rose by 1.56% to ₱4.76 billion from ₱4.68 billion, largely attributable to increases in prepaid assets and other miscellaneous assets held.

Total liabilities amounted to ₱251.58 billion as of September 30, 2026, representing a modest increase of 0.52% from ₱250.28 billion as of December 31, 2025.

Deposit liabilities, which account for 89.02% of total liabilities, increased by 0.29% to ₱223.96 billion from ₱223.31 billion, supported by stable growth in the Bank's current and savings deposit base.

Breaking down the Bank's deposit portfolio, current and savings accounts (CASA) totaled ₱199.33 billion, reflecting a 0.43% increase from ₱198.49 billion as of December 31, 2025, demonstrating the continued strength of the Bank's low-cost funding base. Time Deposits, meanwhile, slightly declined by 0.79% to ₱24.63 billion from ₱24.83 billion recorded at year-end 2025.

Financial Liabilities at Fair Value through Profit or Loss (FVPL) increased more than threefold to ₱7.98 billion, primarily reflecting higher outstanding foreign exchange derivative liabilities during the period.

Bonds Payable remained stable at ₱17.92 billion, representing a marginal increase of 0.25% from ₱17.88 billion as of December 31, 2025. While a new bond issuance is planned for the 4th quarter of 2026, no new bonds had been issued as of the end of September 2026.

Accrued interest, taxes, and other expense liabilities increased by 24.06% to ₱1.67 billion, while other liabilities rose by 10.50% to ₱6.55 billion, primarily driven by higher accounts payable and miscellaneous liabilities recorded during the period. In contrast, Manager's Checks declined to ₱1.46 billion, representing an 18.91% decrease from ₱1.80 billion as of December 31, 2025, reflecting lower outstanding check volumes during the period.

The Bank's capital funds stood at ₱36.43 billion as of September 30, 2026, representing a slight decrease of 0.40% from ₱36.58 billion as of December 31, 2025. The decrease was primarily attributable to the unfavorable movements in the fair value of FVOCI debt securities during the period. Despite this, the Bank maintained a robust capital position, supported by sustained earnings generation and the continued accumulation of retained earnings. As of September 30, 2026, the Bank's capital adequacy ratio (CAR) stood at 16.06%, well above the BSP minimum regulatory requirement of 10.0%, providing ample capacity to support business growth and absorb potential risks.