



SEC Number : PW 105  
File Number

PHILTRUST BANK

**(PHILIPPINE TRUST COMPANY)**

(Company's Full Name)

UNITED NATIONS AVENUE COR. SAN MARCELINO ST. MANILA

(Company's Address)

524- 90 - 61

(Telephone Number)

(Fiscal Year Ending)

(month & day)

SEC 17- Q

(Form Type)

N / A

(Amendment Designation (If applicable))

QUARTER ENDED MARCH 31, 2024

(Period Encoded Date)

NONE

(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 March 31, 2024
2. Commission Identification Number 105
3. BIR Tax Identification Number 000-541-102
4. Exact name of issuer as specified in its charter PHILIPPINE TRUST COMPANY-PHILTRUST BANK
5. Province, country or other jurisdiction of incorporation or organization MANILA
6. Industry Classification Code (SEC Use Only) \_\_\_\_\_
7. Address of issuer's principal office United Nations Avenue corner San Marcelino St. Manila
8. Issuer's telephone number, including area code 8524-90-61 02
9. Former name, former address and former fiscal year, if changed since last report NA
10. Securities registered pursuant to Section 8 & 12 of the Code or Section 4 & 8 of the RSA

Title of each class	Number of Shares of common stock outstanding and amount of debt outstanding
<u>COMMON</u>	<u>1,000,000,000</u>

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

Yes ( / )                      No ( )

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

PHILIPPINE STOCK EXCHANGE

COMMON

12. Indicate by check mark whether the registrant

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

Yes ( / )                      No ( )

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

Yes ( )                      No ( / )

**PHILTRUST BANK  
PHILIPPINE TRUST COMPANY  
COMPARATIVE STATEMENT OF CONDITION**

	UNAUDITED	AUDITED
	MARCH 31, 2024	DECEMBER 31, 2023
<b><u>ASSETS</u></b>		
Cash and Other Cash Items	1,111,700,466.39	1,087,156,727.66
Due from Bangko Sentral ng Pilipinas	14,927,182,432.18	11,579,430,112.86
Due from Other Banks	1,036,443,741.47	1,169,065,530.43
Financial Assets at Fair Value Through Other Comprehensive Income	18,869,940,226.19	19,482,027,403.78
Debt Securities at Amortized Cost	110,254,773,520.43	107,994,772,296.27
Loans and Receivables Arising from RA/CA/PR/SLB	-	2,336,535,356.00
Loans and Receivables, net	26,788,211,635.43	26,533,533,452.02
Property and equipment	3,289,974,791.60	3,304,478,538.14
Investment properties	1,753,694,766.70	2,220,428,221.31
Deferred Tax Assets	372,193,734.48	372,193,734.48
Other Assets	459,601,274.00	357,016,162.30
<b>TOTAL ASSETS</b>	<b>178,863,716,588.87</b>	<b>176,436,637,535.25</b>
<b><u>LIABILITIES AND EQUITY</u></b>		
<b><u>LIABILITIES</u></b>		
Deposits - Demand	865,258,767.81	891,141,287.97
- Savings	109,457,986,853.55	106,172,026,756.09
- Time Certificate of Deposits	44,636,180,162.17	44,634,972,132.34
Total Deposits	154,959,425,783.53	151,698,140,176.40
Manager's Checks and Demand Drafts Outstanding	83,088,950.35	155,862,572.16
Accrued Taxes, Interest and Other Expenses	378,901,563.40	376,772,561.09
Deferred Credits and Other Liabilities	1,306,428,465.71	1,032,638,860.28
<b>TOTAL LIABILITIES</b>	<b>156,727,844,762.99</b>	<b>153,263,414,169.93</b>
<b><u>EQUITY ACCOUNTS</u></b>		
Capital Stock	10,000,000,000.00	10,000,000,000.00
Reserves	72,560,381.78	72,500,381.78
Surplus	15,458,000,960.84	14,899,424,138.46
Undivided Profits	127,336,679.63	1,029,110,178.07
Net Unrealized Gains/(Losses)	(3,752,270,429.23)	(3,047,060,419.22)
Cummulative Translation Adjustments	223,048,560.46	211,300,440.83
Remeasurements of retirement benefit obligation	7,195,672.40	7,948,645.40
<b>TOTAL EQUITY ACCOUNTS</b>	<b>22,135,871,825.88</b>	<b>23,173,223,365.32</b>
<b>TOTAL LIABILITIES &amp; EQUITY ACCOUNTS</b>	<b>178,863,716,588.87</b>	<b>176,436,637,535.25</b>
<b><u>CONTINGENT ACCOUNTS</u></b>		
Financial Standby Letters of Credit	0.00	0.00
Performance Standby Letters of Credit	24,158,000.00	24,392,750.00
Commercial Letters of Credit	149,934,228.25	105,814,275.93
Trade Related Guarantees	0.00	0.00
Trust Department Accounts	1,111,899,007.15	1,109,979,313.04
Others	77,549,507.40	61,237,219.24
<b>TOTAL CONTINGENT ACCOUNTS</b>	<b>1,363,540,742.80</b>	<b>1,301,423,558.21</b>

**PHILTRUST BANK**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2024 & 2023**

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<b>Net Income</b>	127,336,679.63	65,377,710.22
<b>Other Comprehensive Income</b>	<u>(694,214,863.38)</u>	<u>322,061,679.61</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>(566,878,183.75)</u></u>	<u><u>387,439,389.83</u></u>

**PHILTRUST BANK**  
**STATEMENTS OF INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2024 & 2023**

	March 31, 2024	March 31, 2023
<b>INTEREST INCOME</b>		
On Loans and Advances	589,095,843.76	354,161,046.47
On Amortized Cost	1,684,624,204.37	1,302,209,649.19
On FVOCI	163,191,410.60	179,319,629.25
On LR Arising from RA/CA/PR/SLB	47,851,731.50	36,904,593.78
On Deposits with Banks	26,029,941.65	149,538,580.59
<b>TOTAL INTEREST INCOME</b>	2,510,793,131.88	2,022,133,499.28
<b>INTEREST EXPENSE</b>		
On Deposits	1,626,245,559.75	1,122,790,596.58
<b>NET INTEREST INCOME</b>	884,547,572.13	899,342,902.70
<b>PROVISION FOR PROBABLE LOSSES</b>	6,713,348.55	-2,192,899.83
<b>NET INTEREST INCOME AFTER PROVISION FOR PROBABLE LOSSES</b>	877,834,223.58	901,535,802.53
<b>OTHER INCOME</b>		
Income from Foreign Exchange Profit	89,140,218.51	(93,077,326.92)
Service Charges and Commissions	15,758,497.60	15,546,127.78
Gains/(Losses) from Sale/Redemption/Derecognition of Non-Trading Financial Assets and Liabilities	0.00	103,849,224.05
Other Operating Income	59,852,688.54	23,633,608.64
<b>TOTAL OTHER INCOME</b>	164,751,404.65	49,951,633.55
<b>OTHER EXPENSES</b>		
Compensation and Fringe Benefits	210,633,066.81	193,183,897.27
Occupancy and Equipment-related Expenses-Rental	8,031,659.37	7,919,137.84
Depreciation/Amortization	38,254,353.22	37,675,924.67
Taxes and Licenses	124,720,582.05	124,989,987.65
Other Operating Expenses	212,570,208.60	238,071,989.15
<b>TOTAL OTHER EXPENSES</b>	594,209,870.05	601,840,936.58
<b>INCOME BEFORE INCOME TAX</b>	448,375,758.18	349,646,499.50
<b>PROVISION FOR INCOME TAX</b>	321,039,078.55	284,268,789.28
<b>NET INCOME FOR THE QUARTER</b>	127,336,679.63	65,377,710.22
<b>EARNINGS PER SHARE</b>	0.13	0.07

PHILTRUST BANK  
Computation of Earnings Per Share

No. of Shares - 1,000,000,000

	March 31, 2024	March 31, 2023
Net Income for the period	127,336,679.63	65,377,710.22
Net Income Divided by No. of Shares	127,336,679.63	65,377,710.22
	1,000,000,000	1,000,000,000
Earnings Per Share	0.13	0.07

**PHILTRUST BANK**  
**STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**  
**AS OF MARCH 31, 2024 & 2023**

AS OF MARCH 31, 2024	COMMON	SURPLUS	RESERVE	UNDIVIDED PROFIT	NET UNREALIZED GAINS/(LOSSES)	CUMMULATIVE TRANS. ADJUSTMENTS	RETIREMENT BENEFIT
Balance, Dec. 31, 2023	10,000,000,000.00	14,524,757,102.46	72,500,381.78	1,175,240,327.94			
Transfer of Undivided Profit to Surplus		1,175,240,327.94		(1,175,240,327.94)			
Adjustment on Undivided Profit		(241,996,469.56)		0.00			
Amortization			60,000.00				
Net Income for the period							
March 31, 2024				127,336,679.63	(3,752,270,429.23)	223,048,560.46	7,195,672.40
Net Unrealized Gains/(Losses)							
Cummulative Translation Adjustments							
Retirement Benefit							
Balance, March 31, 2024	10,000,000,000.00	15,458,000,960.84	72,560,381.78	127,336,679.63	(3,752,270,429.23)	223,048,560.46	7,195,672.40

AS OF MARCH 31, 2023	COMMON	SURPLUS	RESERVE	UNDIVIDED PROFIT	NET UNREALIZED GAINS/(LOSSES)	CUMMULATIVE TRANS. ADJUSTMENTS	RETIREMENT BENEFIT
Balance, Dec. 31, 2022	10,000,000,000.00	14,441,104,467.96	72,320,381.78	702,435,315.46			
Transfer of Undivided Profit to Surplus		702,435,315.46		(702,435,315.46)			
Adjustment on Undivided Profit		0.00		0.00			
Net Income for the period							
March 31, 2023				65,377,710.22	(3,830,621,805.90)	189,259,904.66	7,720,898.40
Net Unrealized Gains/(Losses)							
Cummulative Translation Adjustments							
Retirement Benefit							
Balance, March 31, 2023	10,000,000,000.00	15,143,539,783.42	72,320,381.78	65,377,710.22	(3,830,621,805.90)	189,259,904.66	7,720,898.40



**PHILTRUST BANK**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2024 & 2023**

	<u>MARCH 31, 2024</u>	<u>MARCH 31, 2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before tax	448,375,758.18	349,646,499.50
Adjustments for:		
Allowance for Losses	6,713,348.55	(2,192,899.83)
Depreciation/Amortization	38,254,353.22	37,675,924.67
Auditor's adjustments	-	-
Operating Income before working capital changes	493,343,459.95	385,129,524.34
Decrease(Increase) in:		
Loans & Receivables	2,081,857,172.59	(2,143,563,811.55)
Investment Properties	466,733,454.61	323,364,070.00
Other Resources	(102,585,111.70)	(143,543,880.40)
Increase (Decrease) in:		
Deposit Liabilities	3,261,285,607.13	(3,205,186,162.86)
Manager's Checks	(72,773,621.81)	(39,297,962.47)
Accrued Taxes	2,129,002.31	47,532,391.72
Deferred Credits & Other Liabilities	273,789,605.43	14,294,372.30
Cash Generated from Operations	6,403,779,568.51	(4,761,271,458.92)
Income Taxes Paid	(321,039,078.55)	(284,268,789.28)
Net Cash Provided by Operating Activities	6,082,740,489.96	(5,045,540,248.20)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property & Equipment	(14,503,746.54)	78,892,095.09
Decrease(Increase) in:		
Investment Securities	(2,828,562,474.33)	4,312,915,736.14
Cash used in Investing Activities	(2,843,066,220.87)	4,391,807,831.23
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,239,674,269.09	(653,732,416.97)
<b>Cash &amp; Cash Equivalents, Beginning</b>		
Cash & Other Cash Items	1,087,156,727.66	1,035,707,582.29
Due from Bangko Sentral ng Pilipinas	11,579,430,112.86	17,194,897,054.31
Due from Other Banks	1,169,065,530.43	1,196,557,104.43
	13,835,652,370.95	19,427,161,741.03
<b>Cash &amp; Cash Equivalents, End</b>		
Cash & Other Cash Items	1,111,700,466.39	922,833,942.12
Due from Bangko Sentral ng Pilipinas	14,927,182,432.18	16,453,935,804.37
Due from Other Banks	1,036,443,741.47	1,396,659,577.57
	17,075,326,640.04	18,773,429,324.06

## **Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Financial Condition**

The Bank ended the first quarter of 2024 with P178.864 billion in total resources, a P2.427 billion increase compared from last year's level of P176.437 billion. Due from Bangko Sentral ng Pilipinas representing 8.35% of total assets increased by 28.91% or by P3.348 billion due to higher volume of placements with Bangko Sentral ng Pilipinas. Due from other banks decreased by 11.34% due to lower level of deposits and working balances with local and foreign correspondent banks. We were not awarded SPURA by the Bangko Sentral ng Pilipinas for the first quarter of 2024. Investment properties decreased by P766.733 million or by 21.02% due to sale of the Bank's acquired real properties. Other asset accounts increased by 28.73% or by P102.585 million as movements in these asset accounts can be accounted for by transactions in the ordinary course of business.

Deposit liabilities at the end of the first quarter closed at P154.959 billion, a minimal increase of 2.15% compared from last year's level of P151.698 billion. This was driven by the increase in savings deposits by 3.09% or by P3.285 billion. The 46.69% decrease in manager's checks represents lower outstanding checks issued compared from last year's level of P155.862 million. Deferred credits increased by 26.51% due to higher level of transactions compared from last year's level of P1.032 billion. All other payables were paid by the Bank within the stated terms.

Capital Funds for the first quarter closed at P22.135 billion, a P1.037 billion decrease compared from last year's level of P23.173 billion. This reflects the impact of mark to market valuation on investments securities on the Banks total equity. This can also be attributed by the earnings for the first quarter amounting to P127.336 million and the increase in cumulative translation adjustment. Capital adequacy ratio for the first quarter is 41.13% which is well above the Bangko Sentral ng Pilipinas minimum requirements of 10%.

The Bank has outstanding commitments, contingent liabilities, and bank guarantees that arise from normal course of operations. Changes in nature and amounts in the financial statements were due more to market related factors inherent in nature of the issuer's business operations and were not considered unusual.

### **Results of Operations**

The Bank generated gross earnings for the first quarter of 2024 amounting to P2.675 billion versus last year's level of P2.072 billion, a P603.460 million increase. Total interest income posted at P2.511 billion up by 24.17% or by P488.659 million as all interest earning assets posted positive growth except for deposit placements with Bangko Sentral ng Pilipinas and other banks. Loans and receivables increased by 66.34% and financial assets on amortized cost increased by a hefty 29.37% as the Bank disposed some of its maturing HTM securities at a higher market rate. SPURA increased by 29.66% due to higher volume and yields. Foreign exchange profits

decreased by 195.77% due to lower exchange rate compared from last year's level. As of the first quarter, no bonds were sold thus resulting to 100% decrease on gains/losses from sale or redemption of securities. Other operating income increased by 153.25% due to realized gain from sale of ROPA, higher dividend received and higher rental income for the quarter.

Interest expenses climbed by 44.84% from P1.123 billion to P1.626 billion, as the Bank raised deposit rates to remain competitive in the market. All other expenses increased/decreased by less than or more than 10% which is normal in the ordinary course of business. Net income closed at P127.336 million, 94.77% higher than the last year's level of P65.373 million.

Considering the huge investments we already made, we have to continue enhance asset quality and risk management as well as compliance to address new emerging risks and meet new regulatory requirements. Looking ahead, we remain committed to our long-term aspiration of maintaining our status as a stable bank known for its asset and liquidity stability, consistently profitable operations providing a reasonable return on investment, sufficient liquid positions under any stress scenario and soundness of systems and internal control. We look forward to a better 2024.

### Key Performance Indicators

The performance of the bank is reflected in the following financial ratios:

	<u>Mar. 31, 2024</u>	<u>Mar. 31, 2023</u>
Return on Average Equity	2.28%	1.23%
Return on Average Assets	0.29%	0.16%
Net Interest Margin	2.07%	2.15%
Capital to Risk Assets	41.13%	42.40%
Cost to Income Ratio	57.27%	63.17%

The manner by which the Bank calculates the above indicators are as follows:

<u>Key Performance Indicator</u>	<u>Formula</u>
1. Return on Average Equity (%)	$\frac{\text{Net Income After Income Tax}}{\text{Average Total Capital Accounts}}$
2. Return on Average Assets (%)	$\frac{\text{Net Income After Income Tax}}{\text{Average Total Assets}}$
3. Net Interest Margin (%)	$\frac{\text{Net Interest Income}}{\text{Average Interest Earning Assets}}$
4. Capital to Risk Assets (%)	$\frac{\text{Total Qualifying Capital}}{\text{Total Risk-Weighted Assets}}$
5. Cost to Income Ratio (%)	$\frac{\text{Total Operating Expenses}}{\text{Net Interest Income} + \text{Other Income}}$

## Part II - Other Information

Our financial report for the first quarter of 2024 was prepared in compliance with Generally Accepted Accounting Principles as set forth in Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, PAS and SIC/IFRIC interpretations which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC pronouncements. The same accounting policies and methods of computation were consistently followed in our financial statements as compared with the annual audited financial statements. There were no cash dividends paid during the year 2024. There were no material contingencies or any other unusual events or transactions affecting our financial condition since December 31, 2023. There are no known trends, demands, commitments, events or uncertainties that would have had a material conflict on our financial condition or results of operations or unfavorable impact on net revenues from continuing operations. There is no material commitment for capital expenditures. We don't anticipate any events that may cause any default or acceleration of an obligation. There are no material off-balance sheet transactions, arrangements, obligations, including contingent obligations and other relationships of the company with unconsolidated entities during the reporting period.

For the first quarter of 2024, the Bank had no transactions that would require the following information or disclosures:

- a. Explanatory comments about the seasonality or cyclicity of interim operations.
- b. The nature and amount of items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents.
- c. The nature and amounts of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period.
- d. Issuances, repurchases and repayments of debt and equity securities.
- e. Segment revenue and segment result for business segments or geographical segments, whichever is the issuer's primary basis of segment reporting.
- f. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- g. The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discounting operations.
- h. Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.
- i. Any significant elements of income or loss that did not arise from the issuer's continuing operations.
- j. Any seasonal aspects that had a material effect on the financial condition or results of operations.
- k. There are no causes for any material changes for our financial from period to period (5%).

1. Proposed Format for Aging of Accounts Receivable

Name of Company: PHILTRUST BANK  
Aging of Accounts Receivable  
As of March 31, 2024

Type of Accounts Receivable	TOTAL	1 Month	2 - 3 Mos.	4 - 6 Mos.	7Mons. To 1 Year	1 - 2 Yrs.	3 - 5 Yrs.	5 Yrs - above	Past due & Items in Lit.
<b>a. Trade Receivables</b>									
1. L & D	364,965.10	360,551.83	0.00	4,413.27	0.00	0.00	0.00		
2. Trust	0.00	0.00							
3. Collection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4. BIR	0.00		0.00		0.00	0.00	0.00	0.00	
5. Various	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net Trade Rec'ble	364,965.10	360,551.83	0.00	4,413.27	0.00	0.00	0.00	0.00	0.00
<b>b. Non-Trade Receivables</b>									
1. Officer	454,808.50	96,970.00	357,838.50	0.00	0.00	0.00	0.00	0.00	
2. ATM	0.00	0.00							
3. Various	1,655,279,155.41	4,550,420.33	4,000,000.00	227,935.91	1,639,330,476.34	7,170,322.83	0.00	0.00	0.00
Subtotal	1,655,733,963.91	4,647,390.33	4,357,838.50	227,935.91	1,639,330,476.34	7,170,322.83	0.00	0.00	0.00
Less: Allow for Doubt- ful Account	186,544,333.39								
Net Non-Trade Rec'ble	1,469,189,630.52								
Net Receivables (a+b)	1,469,554,595.62								

Notes: If the Company's collection period does not match the above schedule and revision is necessary to make the schedule not misleading, the proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

2. Accounts Receivable Description

Type of Receivable	Nature/Description	Collection Period
1. Trade	L & D, Collection - insurance/realty tax	monthly
2. Non-Trade	Officer/Employees - shortage	monthly
3. Non-Trade	Various	monthly
Notes: Indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivables captions, both for trade and non-trade accounts.		

3. Normal Operating Cycle:

**PHILTRUST BANK**  
**SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS**  
**FOR THE PERIOD ENDED MARCH 31, 2024 & 2023**

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
<b>Current Ratio</b>	110.37%	110.92%
<b>Debt to Equity Ratio</b>	708.03%	668.45%
<b>Asset to Equity Ratio</b>	808.03%	768.45%
<b>Net Interest Margin Ratio</b>	2.07%	2.15%
<b>PROFITABILITY RATIO:</b>		
<b>Profit Margin Ratio</b>	286.02%	224.30%
<b>Return to Assets</b>	0.29%	0.16%
<b>Return on Equity</b>	2.28%	1.23%

## FINANCIAL RISK DISCLOSURE

### A. Assessment of Financial Risk Exposure of the Bank as of March 31, 2024.

#### I. Market Risk: Foreign Exchange and Interest Rates.

##### 1.1 Foreign Exchange Position

The net overbought open FX position of the bank as of **March 31, 2024**, is **86,855,690.52 (All currencies)**, the peso equivalent of **₱4,886,451,234.84 (₱56.24/\$)** or **22.494%** of the bank's unimpaired capital which is ₱21,723,613,573.84.

Exposure to foreign exchange risk is moderate considering the current conditions and the monetary policies of BSP, the economic fundamentals are also considered as a factor. The foreign exchange and interest rates volatility will remain within moderate conditions because of BSP's proactive stance and any variance would be within the level of confidence for the following reasons:

- 1.1.1 BSP's effective management of foreign exchange reserves vis-à-vis the major global currencies, to wit: USD, EURO, SGD, GBP, JPY, HKD and AUD.
- 1.1.2 The interest rate on the USD is within the range in the short, medium, and longer term and in which case the bank will necessarily align its position.
- 1.1.3 Net open position of our bank is manageable and not speculative.

#### II. Liquidity Risk

The risk profile of the bank's balance sheet remains low with more concentration in liquid assets and investments in government securities other than lending. Liquid assets and investment securities accounted for **₱146.20 Billion** while loans (net of allowances) amounted to **₱25.28 Billion**. Marginal returns have been low by the distribution in our assets portfolio but the bank has always been strategically conservative in business policy.

#### III. Credit Risk

The bulk of company's loans are fully secured by real estate while some of the loan accounts are backed by guarantees, and only a small percentage of the loans are in clean basis but these are usually extended to clients with very satisfactory payment record &/or who are known to the bank for their good credit reputation. The lending process begins with credit selection and continues to administration and review of loan accounts on a regular basis. Reporting to and review by the Credit and Loans Review Committee is part of the whole credit process and done on a regular basis.

- 1. The bank has no hedging nor financial derivatives contracts. The bank's main financial contracts are:



Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI), and Debt Securities at Amortized Cost (AC).

2. Other than US Dollar denominated bonds issued by the Republic of the Philippines, the bank has no investment in foreign securities or equities.

3. Asset and liability management is involved in matching the economic characteristics of the bank's cash flows. We look at duration, the fixed/floating interest rate of our commitments, the repricing period, liquidity position and stress testing. The decisions are strategically made based on interest rate exposure. Impairment is recognized via valuation reserves in accordance with PFRS 9.

4. Before the bank makes any investment decision, it ensures that the secondary market must have liquidity, breadth, and depth to transact all tenors of financial instruments.



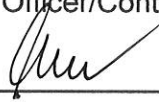
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant PHILIPPINE TRUST COMPANY - JAIME C. LAYA

Signature and Title  President

Date April 23, 2024

Principal Financial/Accounting Officer/Controller LUISA A. LUCIN

Signature and Title  Senior Vice President

Date April 23, 2024