

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type

A	A	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.hoi.com.ph
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Company's Telephone Number

8815-9636 to 38

Mobile Number

N/A

No. of Stockholders

363

Annual Meeting (Month / Day)

August 14

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Maria Teresa T. Bautista

Email Address

mtbautista@hoi.com.ph

Telephone Number/s

8815-9636

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended **December 31, 2025**
2. SEC Identification Number **15393**. 3. BIR Tax Identification No. **000-463-069**
4. 4. Exact name of issuer as specified in its charter **House of Investments, Inc.**
5. **Manila, Philippines** Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **9th Flr., Grepalife Bldg, 221 Sen. Gil Puyat Avenue, Makati City** **1200**
Address of principal office Postal Code
8. **(632) 8815-9636**
Issuer's telephone number, including area code
9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class Number of Shares of Common Stock Outstanding
and Amount of Debt Outstanding

Title of Each Class	Number of Shares Outstanding	Amount of Debt Outstanding
Common, P1.5 par value	1,469,302,230	506,000,000

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

Yes [] No [X]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that 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 []

13. As of March 31, 2026, within 60 days prior to the filing of SEC17-A, the aggregate market value of the voting stock held by non-affiliates of the Company is equivalent in PESOS: Nine Hundred Forty-Nine Million Twenty-One Thousand Six Hundred Eighty-Nine (Php949,021,689) or One Hundred Ninety-Eight Million Nine Hundred Fifty-Six Thousand Three Hundred Twenty-Nine (198,956,329) shares at Php 4.77/share

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders;

(b) Any information statement filed pursuant to SRC Rule 20;

(c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1: Description of Business

1.1 Business Development

House of Investments, Inc. (“House of Investments” or “the Company”) was incorporated in 1959 as an investment bank, the first of such bank to be organized in the Philippines. Through the years, the Company evolved into an investment holding and management company with a diversified portfolio and one of the major flagship corporations of the Yuchengco Group of Companies (“YGC”). The Company undertook a portfolio realignment with a bias for recurring income and growth in 2023. As a result, the core business focus of the Company is organized into four segments, namely: financial services, education, property and property services, and automotive. The Company’s portfolio investments are in Energy, Healthcare, and Deathcare.

1.2 Business of the Issuer

THE HOLDING COMPANY

The executive management takes an active role in the management of the core businesses. In addition, the executive management monitors the business performance of the portfolio companies very closely. Through management meetings and regular review of operating results compared to targets and prior year performance, House of Investments is able to direct corporate strategy and operations.

In particular, management watches operating metrics very closely and how these would impact the financial metrics. By monitoring operating and financial metrics, executive management can always determine whether the capital deployed to various businesses within the portfolio is being used efficiently, and generating returns that meet hurdle rates.

The Company’s executive management also engages in a continuous business development program. These business development activities range from identifying growth opportunities in existing businesses; helping develop new products and services that generate organic growth; or buying entire companies or controlling/significant minority stakes in companies which show high growth potential.

CORE BUSINESS UNITS:

FINANCIAL SERVICES

MICO EQUITIES, INC. AND SUBSIDIARIES

House of Investments acquired a majority stake in MICO Equities, Inc. (“MEI”) from Pan Malayan Management & Investment Corporation (“PMMIC”) through a share swap arrangement in 2023. MEI is the holding company under House of Investments that holds the Yuchengco Group’s interests in non-life insurance. The Company also owns the following subsidiaries:

- (1) Malayan Insurance Co., Inc. (“MICO”)**, is one of the leading non-life insurance companies in the Philippines that is authorized by the Insurance Commission to underwrite the following: Aviation, Engineering, Fire/Property, Marine, Miscellaneous Casualty, Motorcar, Personal Accident, Residential Fire and Travel Insurance, and Surety/Bonds. It has an extensive network of 35 branches and service offices nationwide.

(2) Malayan International Insurance Corporation (“MIIC”) is a wholly owned subsidiary engaged in general reinsurance and investment holding and is registered as a Company and incorporated in The Bahamas under the provisions of the Companies Act 1992 (No. 18 of 1992) on March 31, 1965. MIIC principally assumed the following types of general reinsurance contracts – fire, miscellaneous casualty and marine.

(3) Malayan Securities Corporation (“MSC”) is a wholly owned subsidiary engaged in investing in equity and debt securities. MSC’s corporate life ended on December 18, 2017 while revocation of its certificate of registration with the Bureau of Internal Revenue was on October 30, 2018 and in the process of liquidation.

RCBC TRUST CORPORATION

House of Investments together with Rizal Commercial Banking Corporation (“RCBC”) and GPL Holdings, Inc. (“GPL”) incorporated RCBC Trust Corporation (“RCBC Trust”) a stand-alone trust corporation, with the Securities and Exchange Commission (“SEC”) and duly authorized by the Bangko Sentral ng Pilipinas (“BSP”) to engage primarily in trust, other fiduciary business and investment activities. RCBC Trust is a spin-off from the trust operations of RCBC and is one of the oldest trust entities in the country, boasting a rich history dating back to 1968 when it began as a department under RCBC.

RCBC Trust offers a comprehensive suite of services including Investment Management Accounts (IMA), Unit Investment Trust Funds (UITFs), retirement funds, corporate and institutional trust accounts, pre-need trust funds, personal management trusts, and mortgage or collateral trusts. Focused on delivering superior services and customer experience, RCBC Trust is a leader in retirement fund management and corporate trust services. Its investment management services and digital offerings have also exponentially grown in the recent years.

SUN LIFE GREPA FINANCIAL, INC.

House of Investments acquired a majority stake in Sun Life Grepa Financial, Inc. (“Sun Life Grepa”) from GPL through a share swap arrangement in 2023. Sun Life Grepa is a joint venture between the YGC and Sun Life Philippines. Sun Life Grepa offers financial protection products through its agency, bancassurance and group account channels.

Sun Life Grepa was formerly known as Grepalife Financial, Inc. the flagship life insurance firm of YGC. Established in 1954, it has evolved to be one of the industry’s leaders with its daring innovations that have now become industry standards. Grepalife Financial was the first local insurance firm to pioneer the installment life concept and group credit. It also introduced the salary savings/salary deduction plan which allowed public servants and ordinary employees to pay for their policies. Carrying its original mandate to bring the benefits of life insurance to those who needed it most – the underpaid and the rural folk – Grepalife Financial sought to find greater ways to give more Filipinos access to life insurance. With the joint venture between Sun Life, a part of Grepalife’s name was incorporated in the new entity name, Sun Life Grepa.

As one of the country’s major life insurance companies, Sun Life Grepa focuses its efforts on financial literacy, with the aim of enlightening Filipinos on the importance of preparing for a brighter, more prosperous future. The company does this through its various campaigns anchored on Money for Life – a planning tool that helps people plan for their changing financial needs at any stage of life, be it from getting started, to moving up, to preparing ahead, to leaving a legacy.

EDUCATION

iPEOPLE, INC. AND SUBSIDIARIES

iPeople, inc. (“iPeople”) is the holding company under House of Investments that drives investments in the education sector. iPeople is a publicly listed company on the Philippine Stock Exchange (PSE:IPO). iPeople wholly owns Mapúa University, which owns three other operating schools: Mapúa Malayan Colleges Laguna, Mapúa Malayan Colleges Mindanao and Malayan High School of Science.

With the merger with AC Education, Inc. (“AEI”) that took effect on May 2, 2019 where iPeople was the surviving entity, iPeople has become one of the leading education groups in the country. The merger folded into the iPeople network the three schools of AEI namely: Affordable Private Education Center, Inc. (“APEC Schools”), University of Nueva Caceres (“UNC”) and National Teachers College (“NTC”).

In September 06, 2023, the merger between NTC and APEC Schools became effective with NTC as the surviving entity. This merger will mutually strengthen the NTC and APEC Schools brand and will allow the latter to become a feeder school to NTC which will result to increased enrollment.

In October 28, 2025, the merger between NTC and AC College of Enterprise and Technology, Inc. (“ACCET”) became effective with NTC as the surviving entity. The merger will allow iPeople to finally utilize ACCET’s 6,098 sqm. asset in Altaraza in San Jose Del Monte, Bulacan, while supporting NTC’s plan to expand its campus presence. Prospectively, with the continued development of Altaraza, the future appreciation of the property will benefit NTC. House of Investments and its affiliates together with Ayala Corporation controls 51.3% and 36.3%, respectively as of 31-December 2025

The operating schools under the iPeople network are as follows:

- (1) **Malayan Education System, Inc. (Operating under the name of Mapúa University).**
Founded in 1925 by Don Tomas Mapúa, an architecture graduate of Cornell University in the United States and the first registered architect of the Philippines, Mapúa University is the country’s premier engineering and technological university. It unceasingly fosters its long tradition of leading-edge excellence in various fields of studies, such as Engineering and Sciences, Architecture and Design, Information Technology, Business and Management, Communication and Media Studies, Health Sciences, and Social Sciences and Education, and provides students with a learning environment that will make them globally competitive.
- (2) **Mapúa Malayan Colleges Laguna (“Mapúa MCL”)** is a tertiary institution located in Cabuyao, Laguna, offering 22 baccalaureate programs and one master's program. Its degree-offering colleges and institute include the Mapúa Institute of Technology at Laguna, the E.T. Yuchengco College of Business, the College of Computer and Information Science, the College of Arts and Science, the Mapúa-PTC College of Maritime Education, and the Institute for Excellence in Continuing Education and Lifelong Learning. The institution started with 860 students in 2007 and now has over 6,000 students in both college and Senior High School (SHS). Beginning SY2024-2025, MMCL offered Bachelor of Science Degree in Aeronautical Engineering and an Associate Degree in Aircraft Maintenance in the second term.
- (3) **Mapúa Malayan Colleges Mindanao (“Mapúa MCM”)** was established to offer a Mapua education in Davao and Mindanao. Located along General Douglas MacArthur Highway in Matina, Davao City, MMCM opened its doors to junior high school student in 2021 and senior high school and college students on July 2, 2018. The institution is committed to transforming students into globally competitive professionals that are highly preferred by

industries locally and abroad. MMCM stands out from other colleges and universities in Mindanao due to its learner-centered outcomes-based education, blended online and face-to-face learning sessions, industry partnerships, Mindanao-centric learning, and advanced learning facilities.

- (4) **Malayan High School of Science, Inc. (“MHSS”)** is a wholly-owned subsidiary of Mapúa University. MHSS is a science- and math-oriented high school located in Pandacan, Manila. Modeled after similar but publicly funded science high schools, MHSS offers a rigorous academic program geared towards graduating hard-working, mathematical and scientific-trained students that will excel in their university studies and beyond. The school is focused on optimizing student-to-teacher time and in providing a top-notch faculty, state-of-the-art facilities, and a curriculum that will allow students to “fully express not only their scientific inclinations but also their artistic bent.”
- (5) **The University of Nueva Caceres (“UNC”)**, the first university in Southern Luzon, traces its humble beginning with the benevolence of Dr. Jaime Hernandez, former Secretary of the Department of Finance, as his way of giving back to the Bicolano community. In February 1948, Dr. Hernandez together with other prominent Bicolanos, formed the Nueva Caceres College, and in 1953, the school attained University Status. In July 2015, the University of Nueva Caceres partnered with Ayala Corporation through Ayala Education, Inc to further enhance the quality of education through industry and technology driven innovations. Currently, the University offers complete basic education, four programs in the College of Arts and Sciences, thirteen in the College of Business and Administration, five in the College of Computer Studies, thirteen in the College of Education, six in the College of Engineering, Nursing Course, Criminal Justice Education, Juris Doctor, and three Doctorate and fifteen Masters Degree programs in the Graduate Studies department. UNC endeavors to fulfill its tri-focal function of instruction, research, and extension while making education accessible and affordable. The battle cry “from first to number one” summarizes UNC’s goals of excellence in quality, access, relevance, and responsiveness. UNC aims to be known not only as the first university in Bicol, but to be the Number 1 university in terms of employability of graduates.
- (6) The **National Teachers College (Doing Business Under the Name of the National Teachers College)(“NTC”)** was founded by Dr. Segundo M. Infantado, Sr., a former Director of Public Instruction of the Philippines and Dr. Flora Amoranto-Ylagan, one of the country’s leading educators. NTC was officially incorporated on September 29, 1928 and was authorized by the Department of Public Instruction on April 17, 1929 to operate as an educational institution. Its doors opened to the student public on June 10, 1929 and was granted government recognition on February 17, 1930. NTC was the first Higher Education Institution in the Philippines to offer collegiate programs dedicated to teacher education. Among private educational institutions in the Philippines, it has attained a pre-eminent place in educational leadership, particularly in the field of teacher education. Its performance in the Licensure Examination for Teachers is always above the national passing rate. NTC continues to perform its share in educating and training teachers, administrators, supervisors, and other professionals who will serve in the interest of the Republic of the Philippines and the world at large.

PROPERTY & PROPERTY SERVICES

ATYC, INC.

House of Investments incorporated ATYC, Inc. to be the vehicle for the acquisition of the A.T. Yuchengco Centre from Rizal Commercial Banking Corporation in September 2022. A.T. Yuchengco Centre is a 34-storey building located in Bonifacio Global City and has a leasable area of 36,665. RCBC is the anchor tenant.

SAN LORENZO RUIZ INVESTMENT HOLDINGS AND SERVICES, INC.

House of Investments acquired 100% of the issued and outstanding capital stock in San Lorenzo Ruiz Investment Holdings & Services, Inc. (SLR) in December 2020. In June 2021, Sojitz Corporation (“Sojitz”) of Japan invested into SLR for a 40% stake of the company. Together, House of Investments and Sojitz are developing the property owned by SLR within the Makati Central Business District into a mixed-use office-commercial development. The 28-storey building, named “The Yuchengco Centre”, will have a total leasable area of 80,291 square meters. It features an iconic design with a public park and art facilities, a network of open spaces, an amenity floor, and advanced building features incorporating green and sustainable technology.

GREPA REALTY HOLDINGS CORPORATION

House of Investments acquired a majority stake in Grepa Realty Holdings Corporation (“GRHC”) from GPL through a share swap arrangement in 2023. The Company holds a 49% stake while Sun Life Grepa owns the other 51% of GRHC. Effectively house of Investments owns 75% of GRHC.

GRHC is presently engaged in owning and operating building units, which are being leased to related and third parties. The main asset of GRHC is Grepalife Building which stands on a 5,000 sq.m. land along Sen. Gil J. Puyat Avenue in Makati adding to the property portfolio of the Company which includes A.T. Yuchengco Centre, RCBC Plaza, and the upcoming The Yuchengco Centre.

TARLAC TERRA VENTURES, INC.

Tarlac Terra Ventures, Inc. (“TTVI”) was incorporated as a wholly-owned subsidiary of House of Investments. In December 2023, TTVI purchased a 184-hectare property located at Central Techno Park in Luisita Industrial Park. In October 2024, House of Investments and Aboitiz InfraCapital (“AIC”) signed the Preliminary Terms of the Definitive Agreement for the development the property in Tarlac City into a mixed-use real estate development. On March 11, 2026, the joint venture partnership was finalized between House of Investments and Lima Land for the continued development of TARI Estate in Tarlac, marking the next phase of expansion for one of Central Luzon’s emerging industrial hubs. The partnership combines Aboitiz Economic Estates’ expertise in industrial estate development and operations with House of Investments’ long-standing investment heritage, providing the capital and institutional support to accelerate the estate’s long-term growth.

RCBC REALTY CORPORATION

House of Investments owns a minority stake in RCBC Realty Corporation, which owns the YGC flagship property, the RCBC Plaza.

The RCBC Plaza is the biggest and most modern office development in the Philippines today. Inaugurated in 2001, the complex consists of the 46-storey Yuchengco Tower, 41-storey Tower 2, and a three-level podium. Also housed in RCBC Plaza are the 450-seat Carlos P. Romulo Auditorium, the Yuchengco Museum, a 200-seat chapel, a VIP lounge, banking chambers, convenience and service shops, food court, seven-level basement parking, and open-air courtyard. YGC members such as the RCBC and AY Foundation hold their offices here.

RCBC Plaza is the first IT zone in Makati designated by the Philippine Economic Zone Authority.

In March 2024, RCBC Plaza has been re-certified LEED GOLD for Operations and Maintenance. LEED is a certification program designed by the US Green Building Council (“USGBC”) and has become the most widely used green building rating system to assess environmental compliance in terms of sustainability, energy conservation, water reduction, air quality and materials, and resources. In July of the same year, the building has shifted to 100% renewable energy.

LANDEV CORPORATION

Landev Corporation (“Landev”) is a wholly-owned subsidiary of the House of Investments. Landev is engaged in construction project management, property management, facilities management and security services.

Landev owns Greyhounds Security and Investigation Agency Corp. (GSIA) and Secon Professional Security Training Academy Inc. (SECON), providing comprehensive security services to RCBC Plaza, ATYC, and RCBC business centers and branches in Metro Manila and Luzon provinces. SECON is a security training center that conducts pre-licensing, refreshers, security supervisory courses and customized courses according to client requirements.

AUTOMOTIVE

HI CARS, INC.

House of Investments operates two car-retailing brands: Honda and Isuzu under its wholly owned subsidiary HI Cars, Inc. (“HI Cars”) that operates under the brand of “YGC Cars”. Honda’s vehicle line-up includes passenger cars and light commercial vehicle categories while Isuzu’s is purely commercial vehicles.

HI Cars’ Honda full-service dealerships are located in Quezon Ave., Manila and Greenhills. It also operates a service center in Tandang Sora. Meanwhile, the Isuzu dealerships are in Manila, Commonwealth, and Leyte.

PORTFOLIO INVESTMENTS:

ENERGY

PETROENERGY RESOURCES CORPORATION

PetroEnergy Resources Corporation (“PetroEnergy” or “PERC”) is a publicly-listed Philippine energy company founded in 1994, originally to provide specialized technical services to its then parent company, Petrofields Corporation (now iPeople Inc.), and other companies exploring for oil. PetroEnergy later shifted to upstream oil exploration and development and has since been generating income from its 2.525% participating interest in the Etame Oil Block in Gabon, West Africa.

In 2009, after the passage into law of the Renewable Energy Act of 2008 (“RE Act”), PetroEnergy has diversified into renewable energy (“RE”) and power generation.

In 2010, PetroEnergy incorporated **PetroGreen Energy Corporation** (“PetroGreen” or “PGEC”), its 75%-owned subsidiary to act as its renewable energy arm and holding company. PGEC has ventured into RE development and power generation through its subsidiaries:

- (1) Maibarara Geothermal, Inc. (“MGI”) – owner and developer of the 32 MW Maibarara Geothermal Power Project (“MGPP”) in Santo Tomas, Batangas;
- (2) PetroSolar Corporation (“PSC”) – owner and developer of the 70 MW_{DC} Tarlac Solar Power Project (“TSPP”) in Tarlac City;
- (3) PetroWind Energy Inc. (“PWEI”) – owner and developer of the 49.2 MW Nabas Wind Power Project (“NWPP”) in Nabas and Malay, Aklan;
- (4) Rizal Green Energy Corporation (“Rizal Green”) – owner and developer of the following solar power projects through their respective special purpose vehicles: (a) the 27 MW_{DC} Dagohoy Solar Power Project in Bohol (“DSPP”, operated by Dagohoy Green Energy Corporation); (b) the 19.6 MW_{DC} San Jose Solar Power Project in Nueva Ecija (“SJSPP”, operated by San Jose Green Energy Corporation); (c) the 25 MW_{DC} Bugallon Solar Power Project in Pangasinan (“BSPP”, operated by Bugallon Green Energy Corporation); and (d) the 40 MW_{DC} Limbauan Solar Power Project in Isabela (“LSPP”, operated by BKS Green Energy Corporation);
- (5) EcoSolar Energy Corporation – owner and developer of the following projects in the pipeline: (a) the 20 MW/40 MWh Panitan Energy Storage Project (“PESP”) and (b) the ~90 MW_{DC} Panitan Solar Power Project (“PSPP”), both in Capiz; and
- (6) Buhawind Energy Northern Luzon Corporation (“BENLC”), Buhawind Energy Northern Mindoro Corporation (“BENMC”), and Buhawind Energy East Panay Corporation (“BEEPC”) – owners of offshore wind energy service contracts covering, Northern Luzon, Northern Mindoro, and East Panay offshore areas, respectively, with an aggregate capacity of 4 GW.

In 2022, PetroEnergy partnered with a Japanese entity, Kyuden International Inc. (a subsidiary of Kyushu Electric Power Co. Inc.) through its ₱3.4 billion investment, representing a 25% stake, in PetroGreen.

In 2023, PetroEnergy bought out the shares of EEI Power Corporation (“EEIPC”, a 100% subsidiary of EEI Corporation) in PetroGreen (7.5%), PetroSolar (44%) and PetroWind (20%).

In 2024, Taisei Corporation, a large construction company in Japan, invested in Rizal Green for a 25% stake and to develop four (4) solar projects in Bohol, Nueva Ecija, Pangasinan, and Isabela.

Following the commissioning of new renewable energy facilities in 2023 and 2024, PetroEnergy, through PetroGreen, ended 2025 with 263 MW of installed capacity and exported more than 540 GWh of electricity to the grid.

HEALTHCARE

HI-EISAI PHARMACEUTICAL, INC.

HI-Eisai Pharmaceutical, Inc. (“HEPI”) is engaged in the manufacture of pharmaceuticals in the Philippines, export, import, sell at wholesale or otherwise distribute drugs, medicine and pharmaceuticals and non-pharmaceutical health products, of all kinds and descriptions, including but not limited to, quasi drugs, cosmetics and toiletry, medical instruments, medical and pharmaceutical apparatus and appliances, sanitary goods, foods, food additives, drinks, pharmaceuticals and medicines for veterinary use, feed additives, agricultural drugs and chemical products, strong or violent drugs and poisons. HEPI is a joint venture between House of

Investments and the Eisai Co., Ltd. of Japan with the Company owning 50%. Through this long-standing partnership, HEPI has successfully established a strong presence in the Philippine market over the past 50 years. This collaboration has played a pivotal role in advancing healthcare and improving the lives of Filipino patients and their families by introducing innovative medicines to the country.

DEATHCARE

MANILA MEMORIAL PARK CEMETERY, INC.

Manila Memorial Park Cemetery, Inc. (“MMPCI”) is the recognized market leader in death care services. It sells memorial lots and owns, operates, and maintains memorial parks in Sucat, Quezon City, Bulacan, Laguna, Cavite, Cebu, Davao, and Tarlac. House of Investments owns a material stake in MMPCI.

LA FUNERARIA PAZ-SUCAT, INC.

La Funeraria Paz-Sucate, Inc. (“LFPSI”) provides mortuary services to the bereaved and their loved ones. House of Investments, together with MMPCI, jointly owns LFPSI.

OUR RISK MANAGEMENT

House of Investments, Inc., as a holding and management company with significant investments across diversified industries including financial services, property and property services, education, and automotive, as well as portfolio exposures in energy, healthcare, and death care, is exposed to a broad range of enterprise-level, sector-specific, and emerging risks. These risks arise from the nature of its operations as a strategic parent, the operating environment in which it operates, and the unique risk profiles of its subsidiaries, associates, joint ventures, and managed companies. HI recognizes that these risks may affect its financial performance, reputation, stakeholder confidence, and long-term value creation. Accordingly, HI adopts an integrated approach to risk and sustainability management, integrating risk management and environmental, social, and governance (ESG) considerations into the businesses’ organizational activities and processes, operational requirements to support the achievement of corporate objectives and goals.

The Board Risk Oversight Committee (BROC) assists the Board of Directors in fulfilling its corporate governance functions on risk and sustainability management. The BROC provides oversight of the Company’s enterprise risk and sustainability management system. The Chief Risk Officer reports to the BROC risk exposures and sustainability-related developments, as well as other relevant matters. Management, through the company’s Risk Management Council, is accountable for implementing the risk and sustainability framework and for managing the associated risks and sustainability exposures. The management team of subsidiaries are responsible for managing their respective risk and sustainability exposures. Subsidiaries align their practices with Group-level policies and report periodically to management, thereby enabling consolidated oversight and coordinated risk management across the Group.

The Group conducts periodic enterprise-wide risk assessments to ensure that risks remain current, relevant, and aligned with the evolving business and external environment. The following key risks have been identified which may impact the operations, objectives, and long-term value creation of the Group.

Reputational and Stakeholder Risk

The Company's reputation is closely linked to the performance and conduct of its subsidiaries. Adverse events, including operational failures, regulatory non-compliance, or negative publicity within any subsidiary, may have a cascading effect on the Group's overall reputation, potentially affecting stakeholder confidence and future business opportunities. HI communicates its vision, mission, core values, and objectives to all its stakeholders and ensures all stakeholders are mindful with certainty of the company DNA in accomplishing the corporate objectives. The HI senior management participates in the Group's strategic planning, management, and operational meetings to ensure alignment with the holding company.

Information and Cyber Security/Safety Risk

The Company is exposed to cybersecurity risks arising from the increasing reliance on digital systems and the handling of sensitive information. Threats such as data breaches, cyber-attacks, and information technology disruptions may result in operational interruptions, financial losses, regulatory exposure, and reputational damage. The rapid development of artificial intelligence (AI) further increases these risks, introducing new challenges in data protection and system integrity. To mitigate the risks, HI directs groupwide investments in cybersecurity resources and implementation of strong data security measures. HI ensures strict compliance with the data privacy act and the company's information and communications technology security policy. HI conducts periodic review and update of its cybersecurity policies and information campaign through cybersecurity awareness programs.

Talent Risk

The Company's ability to execute its strategic objectives depends on attracting, developing, and retaining qualified personnel. Challenges related to talent availability, leadership succession, and evolving workforce dynamics may impact operational effectiveness and long-term growth. HI established programs in building key competencies and capability, as well as implementing succession planning and leadership integration to address the exposures. The Company continue to improve on its employee engagement through activities and programs, including but not limited to individual development and career growth plan.

Compliance and Regulatory Risk

The Group operates in multiple regulated industries and is subject to various laws, rules, and regulations. Changes in regulatory requirements or failure to comply with applicable laws may result in penalties, legal liabilities, increased operational costs, and potential disruption of business activities. The Group manages these risks by monitoring emerging laws and regulations and industry developments affecting or may affect its business. The Group takes the position of proactively participating in consultations and dialogues with pertinent regulatory agencies and organizations relevant to its operations strengthening its capability to anticipate and adapt to potential changes, aiming to attain thought leadership status in the industry where it operates.

ESG and Sustainability Risk

The Company recognizes that environmental, social, and governance risks may materially affect its operations including both short and long-term viability. The Company's ability to maintain operations during disruptions is critical, particularly given its reliance on subsidiaries. Key threats include natural disasters, public health disruptions, system outages and infrastructure failures. Climate-related risks, including extreme weather events such as typhoons and flooding, may disrupt operations and affect assets. The increasing frequency and severity of such events can increase climate-related financial risks. Operational disruptions from both natural and man-made calamities can negatively impact the subsidiaries resulting in negative outcomes and affecting stakeholder confidence. The Company continues to strengthen its approach to managing ESG risks in response

to evolving regulatory requirements and stakeholder expectations. The Company’s enterprise sustainability management framework provides guidance on ESG considerations and sustainability management. The sustainability management is integrated into enterprise risk management. The Company has invested in the digitalization of sustainability and risk management to better manage the ESG risks.

Operational Risk

Operational risks may arise from process inefficiencies, system failures, human error, or external disruptions. Technology is transforming the way business operate, failure to adapt to the technological change may result in inefficiency or disrupt operations These risks may affect service delivery, financial performance, stakeholder trust, and regulatory compliance. The Company implements internal controls and process improvements to mitigate such risks. To manage these risks, the Group ensures that all operating units have efficient and effective processes and support systems to meet and deliver its objectives. The Group continuously evaluate technologies, improve skills, or digitalize critical processes to ensure operational continuity. Further, the Group periodically assesses existing controls and compliance to ensure its continued relevance and effectiveness by conducting periodic operational audit.

Geopolitical and External Risk

Global and regional developments may indirectly affect the Group’s operations, financial performance, strategic objectives, and portfolio. These risks may arise from inflationary pressures, currency volatility, supply chain disruptions, and cybersecurity threats associated with geopolitical tensions, global mobility, and economic uncertainty. Such developments may impact operating costs, demand for products and services, and investment decisions across the Group. The Company continuously monitors geopolitical developments and incorporates these into its enterprise risk assessment, scenario planning, and financial stress testing, ensuring preparedness and responsiveness to evolving external conditions.

The Company continuous to strengthen its risk and sustainability management in response to the evolving risk landscape and regulatory requirements. By integrating sustainability into its risk management, the Company aims to enhance resilience, support sustainable growth, and deliver long term value to its stakeholders.

Item 2: Properties

The office space used by House of Investments belongs to a subsidiary. As a holding company, the Company does not use large amounts of office space. The Automotive businesses use leased properties to sell and service vehicles. Each dealership site has lease contracts with their respective landlords. The only exception to this is the property used by Honda Cars Quezon Avenue, which is owned by House of Investments.

The following summarizes information on House of Investments and subsidiaries real property ownership as of December 31, 2025.

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
HOUSE OF INVESTMENTS, INC.		
Quezon Avenue	2002	Industrial
SAN LORENZO INVESTMENT HOLDINGS AND SERVICES, INC.		
Sen. Gil Puyat Ave., Makati	2019	For development
ATYC, INC.		
Bonifacio Global City, Taguig	2022	Office/Commercial

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
GREPA REALTY HOLDINGS CORPORATION		
Sen. Gil Puyat Ave., Makati	2011	Office/Commercial
Calamba Laguna	2011	Land – Industrial
Binondo, Manila	2011	Office Units
Osmena Boulevard, Cebu City	2011	Office Condominium Units
North Reclamation Area, Cebu City	2011	Land – Commercial
Barangay Dela Paz, Antipolo City	2011	Land – Residential
Sagcahan, Tacloban City	2011	Land – Commercial/Residential
TARLAC TERRA VENTURES, INC.		
Bo. San Miguel, Tarlac City	2023	Land – Industrial
MALAYAN INSURANCE COMPANY, INC.		
Alcala, Pangasinan	1961	Land - Commercial
JP Laurel St. Lanang, Davao City	1974	Land - Commercial
Bo. Bangad, Cabanatuan City	1975	Land – Commercial
Eliza Valley Subd, Cebu City	1975	Office/Commercial
JP Laurel St, Davao City	1976	Office/Commercial
Eliza Valley Subd, Cebu City	1977	Office/Commercial
Binondo, Manila	1978	Condominium Office Units
Salcedo Village, Makati City	1986	Condominium Office Units
Salcedo Village, Makati City	1989	Condominium Office Units
Bo. Tungtong, Las Pinas City	1993	Land – Commercial
Binondo, Manila	1995	Condominium Office Units
Mactan Island, Cebu	1996	Condominium Units and Parking
Salcedo Village, Makati City	1998	Condominium Office Units
Calumpit, Bulacan	2004	Land - Commercial
Calumpit, Bulacan	2004	Land - Commercial
Commonwealth, Quezon City	2006	Land - Commercial
Mayapa, Laguna	2007	Land - Commercial
Binondo, Manila	2008	Condominium Office Units
Binondo, Manila	2010	Condominium Office Unit
Binondo, Manila	2010	Condominium Office Unit
Binan, Laguna	2018	Office/Commercial
Bo. Tungtong, Las Pinas City	1993	Land – Commercial
Binondo, Manila	1995	Condominium Office Units
MALAYAN EDUCATION SYSTEM, INC.		
Intramuros, Manila	1999	School campus
Intramuros, Manila	2013	Vacant lot for expansion
Sta. Cruz, Makati City	2018	School Campus
MALAYAN HIGH SCHOOL OF SCIENCE, INC.		
Paco, Manila	2002	School campus
MALAYAN COLLEGES LAGUNA, INC.		
Cabuyao, Laguna	2010	School campus
Cabuyao, Laguna	2012	Vacant lot for expansion
MALAYAN COLLEGES MINDANAO, INC.		
Ma-a, Davao	2015	School campus
Ma-a, Davao	2018	School campus
NATIONAL TEACHERS COLLEGE		
Quiapo, Manila	2019	School Campus
Quiapo, Manila	2019	School Campus

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
Quiapo, Manila	2019	School Campus
Mendiola	2024	Lease of space
San Jose del Monte City, Bulacan	2025	Vacant Lot
UNIVERSITY OF NUEVA CACERES		
J. Hernandez Ave., Naga City	2019	School Campus

The following details the properties that House of Investments and subsidiaries have leased:

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
HI CARS, INC.		
Dealership	Paco, Manila	2026
Dealership	Paco, Manila	2026
Dealership	Commonwealth, QC	2034
Service Center	Tandang Sora, QC	2028
Dealership	Leyte	2030
Warehouse	Leyte	2029
Dealership	Quezon Avenue, Q.C.	2027
Dealership	Mandaluyong	2028
MALAYAN INSURANCE COMPANY, INC.		
Branch	Laoag	2025
Branch	Legazpi	2030
Branch	Tuguegarao	2026
Branch	Ortigas	2026
Branch	Quezon Ave	2025
Branch	Tagum	2027
Office	Binondo	2028
Office	Binondo	2028
Office	Binondo	2028
Office	Binondo	2028
Branch	Alabang	2030
Branch	Cabanatuan	2030
Branch	Baguio	2030
Branch	Calamba	2030
Branch	Cebu	2030
Branch	General Santos	2025
Branch	Iloilo	2030
Branch	Palawan	2030
Branch	Tagbilaran	2030
Branch	CDO	2030
Branch	Dumaguete	2025
Branch	Dagupan	2025
Branch	General Santos	2025
Branch	Makati	2030

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
Branch	Laguna	2027
RCBC TRUST CORPORATION		
Office	Makati, Metro Manila	2030
Office	Makati, Metro Manila	2026
SUN LIFE GREPA FINANCIAL, INC.		
Branch Office	San Fernando City, La Union	2026
Branch Office	Dagupan City	2027
Branch Office	Cabanatuan City	2029
Branch Office	Baguio City	2027
Branch Office	Calapan City, Oriental Mindoro	2026
Branch Office	San Pablo City	2028
Branch Office	Cebu City	2026
Branch Office	Cebu City	2029
Branch Office	Tacloban City	2026
Branch Office	Iloilo City	2028
Branch Office	Bacolod City	2026
Branch Office	Zamboanga City	2030
Branch Office	Davao City	2026
Branch Office	General Santos City	2027
Branch Office	Butuan City	2027
Branch Office	Surigao City	2026
Branch Office	Quezon City	2029
Branch Office	Malolos City	2028
Branch Office	Binondo, Manila	2026
Branch Office	Grepalife Bldg., Makati City	2026
Grepa Medical & Diagnostic Center	RCBC Plaza, Makati City	2027
Head Office	RCBC Plaza, Makati City	2028
NATIONAL TEACHERS' COLLEGE (APEC SCHOOL BRANCHES)		
School campus	V. Luna	2030
School campus	North Fairview	2032
School campus	C. Raymundo	2032
School campus	Marikina Heights	2038
School campus	Sta. Rita Sucat	2032
School campus	Dasmariñas	2032
School campus	Bacoor	2034
School campus	Pateros	2033
School campus	Las Pinas	2031

The principal assets reflected in the consolidated balance sheets are registered mainly under the Company and its main subsidiaries that are engaged in financial services, property and property management, education, and car dealership. As a holding company, House of Investment's indirect ownership on the said properties covers/applies only to the extent of, and is limited by the number of holdings it has in these subsidiaries.

Item 3 – Legal Proceedings

House of Investments Inc. and its subsidiaries are involved in disputes arising from the ordinary course of business such as labor disputes filed by and against employees which are pending before the NLRC as well as criminal cases filed against erring employees which are pending before the courts of general jurisdiction. The management believes that these suits will ultimately be settled and/or decided in its favor and will not adversely affect the Company's financial position and operating results.

Item 4 - Submission of Matters to a Vote of Security Holders

There were no matters submitted to the vote of the security holders of House of Investments during the Annual Stockholders Meeting held on August 8, 2025.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for Issuer’s common equity and related stockholder matters

The common stock (PSE: HI) is traded on the Philippine Stock Exchange.

PERIOD	STOCK PRICE	
	HIGH	LOW
2026 First Quarter	4.77	4.20
2025 Fourth Quarter	4.60	4.51
2025 Third Quarter	3.89	3.88
2025 Second Quarter	3.42	3.42
2025 First Quarter	3.57	3.24
2024 Fourth Quarter	3.65	3.38
2024 Third Quarter	4.09	3.24
2024 Second Quarter	3.51	3.32
2024 First Quarter	3.85	3.22
2023 Fourth Quarter	4.04	3.21
2023 Third Quarter	4.27	3.55
2023 Second Quarter	5.39	3.37
2023 First Quarter	3.99	3.15
2022 Fourth Quarter	3.75	3.28
2022 Third Quarter	3.60	3.35
2022 Second Quarter	3.70	3.31
2022 First Quarter	3.90	3.42

The market price of House of Investments' common stock as of May 4, 2026 (latest practicable trading date) is at P4.70 for high and P4.56 for low.

Stockholders

The top 20 owners of common stock as of March 31, 2026 are as follows:

STOCKHOLDER	COMMON SHARES	% OF TOTAL
Pan Malayan Management & Investment Corp.	692,463,366	47.12%
PCD Nominee Corp – Filipino	417,282,545	28.40%
GPL Holdings, Inc.	295,133,148	20.08%
PCD Nominee Corp – Non-Filipino	22,127,916	1.51%
A.T. Yuchengco, Inc.	7,036,070	0.48%
GDSK Development Corporation	5,064,840	0.34%
Go Soc & Sons and Sy Gui Huat, Inc.	4,019,890	0.27%
Y Realty Corporation	3,545,890	0.24%
Malayan Securities Corporation	2,790,000	0.19%
Seafront Resources Corp.	2,484,000	0.17%
Meer, Alberto M.	2,217,030	0.15%
Enrique T. Yuchengco, Inc.	1,211,360	0.08%
Villonco, Vicente S.	803,800	0.05%
RP Land Development Corp.	726,720	0.05%
Dee Helen Y. ITF: Michelle	643,010	0.04%
Lim, Tek Hui	627,000	0.04%

STOCKHOLDER	COMMON SHARES	% OF TOTAL
EBC Securities Corporation	488,450	0.03%
Dee, Helen Y. Dee ITF Johanna Y.	482,290	0.03%
Bardey, John C.	476,230	0.03%
Wilson, Cathleen Ramona	420,170	0.03%
SUB TOTAL	1,460,043,725	99.33%
Others	9,258,505	0.67%
TOTAL	1,469,302,230	100.00%

House of Investments has a total of 363 common shareholders owning a total of 1,469,302,230 shares as of March 31, 2026.

Dividends

In accordance with the Corporation Code of the Philippines, House of Investments intends to declare dividends (either in cash or stock or both) in the future. Common and preferred stockholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the Board of Directors out of surplus profits derived from House of Investments' operations after satisfying the cumulative interest of preferred shares.

The same right exists with respect to a stock dividend of which the declaration is subject to the approval of stockholders representing at least two-thirds (2/3) of the outstanding shares entitled to vote. The amount will depend on the Company's profits and its capital expenditure and investment requirements at the relevant time.

The company has declared cash dividends as follows:

YEAR	DIVIDEND PER COMMON SHARE	TOTAL AMOUNT
2025	P0.18	P264.47 M
2024	P0.05	P73.48 M
2023	P0.05	P38.82 M

House of Investments has not identified any restriction that limits the ability to pay dividends on common equity or that are likely to do so in the future.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

There is no recent sale of unregistered or exempt securities, including recent issuance of securities constituting an exempt transaction in 2025.

Description of Registrant's Securities: Common Stock and Preferred Stock

The equity capital structure of the firm as of December 31, 2025 is shown below:

Common Stock	
Authorized Capital	1,470,000,000
Issued	1,469,602,230
Outstanding	1,469,302,230
Paid Up Capital	2,203,953,359
Par Value	P1.50

Item 6 – Management Discussion and Analysis of Operations

Plan of Operations within the next twelve months

- (a) The management believes that House of Investments can satisfy its cash requirements within the next twelve months without the need to raise additional funds;
- (b) There are no product research and development that the Company will perform within the next twelve months; and
- (c) There are no expected purchase or sale of plant and significant equipment within the next twelve months.

Management Discussion and Analysis

CONSOLIDATED RESULTS

Year 2025 vs. 2024

RESULTS OF OPERATIONS

	Period Ended December 31			
	2025	2024	% Change	% to Revenues
				₱
REVENUES	₱43,674,030,151	38,872,565,610	12.4%	100.0%
COSTS OF SALES AND SERVICES	33,996,324,182	30,375,112,421	11.9%	77.8%
GROSS PROFIT	9,677,705,969	8,497,453,189	13.9%	22.2%
GENERAL AND ADMINISTRATIVE EXPENSE	(5,388,976,074)	(4,859,528,228)	10.9%	(12.3%)
OTHER INCOME	476,865,485	196,898,406	142.2%	1.1%
EQUITY IN NET EARNINGS OF ASSOCIATES	331,509,408	81,479,896	306.9%	0.8%
INTEREST AND FINANCE CHARGES	(578,203,816)	(630,532,352)	(8.3%)	(1.3%)
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	4,518,900,972	3,285,770,910	37.5%	10.3%
PROVISION FOR INCOME TAX	(840,317,977)	(607,080,589)	38.4%	(1.9%)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	3,678,582,995	2,678,690,321	37.3%	8.4%
<i>Deconsolidated Operations</i>				
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	-	-	-	-
NET INCOME (LOSS)	₱3,678,582,995	₱2,678,690,321	37.3%	8.4%

For the year ended December 31, 2025, the Group reported a net income of P3.68 billion, or 37% increase compared to same period last year. The growth was driven primarily by the strong performance of the financial services segment which remains the Group's largest contributor accounting for P2.14 billion or 60% of total consolidated net income.

The Group's consolidated revenues reached P43.70 billion, representing a 12% increase compared to the previous period. This growth was primarily driven by the financial services segment with strong contributions from both life and non-life businesses. The segment remained the primary revenue driver contributing P30.97 billion or 71% of total consolidated revenues. The increase in revenues was attributable to strong demand for both newly launched and existing products. Meanwhile, the education segment continued to show improvement recording a 17% growth driven by the steady increase in enrollment. Revenues from the property and property services segment also increased by 9% primarily due to higher occupancy rates.

The increase in consolidated costs of sales and services was largely attributable to the financial services segment which comprised approximately 75% of the total driven by higher claims, commissions, underwriting costs and other policy-related costs consistent with business growth. Additionally, the education segment contributed to the increase due to higher operating costs associated with growing enrollment and growth initiatives.

General and administrative expenses increased primarily due to the following: (a) impairment of assets resulting from earthquake-related damage to the school building in Mindanao; (b) higher headcount across the Group as it continues to fill in its vacancies; (c) increased provisions for probable losses on receivables, mainly from the financial services segment; and (d) higher direct expenses incurred by the automotive and financial services segments.

For other income, last period's figure included the negative accounting impact from the reclassification of an investment. Excluding this, the current reporting period is still better than last year, primarily driven by higher income from short-term investments and gain on sale of property.

Equity earnings were higher this year, mainly attributable to improved results from major associates. Interest and finance charges declined, reflecting the Group's ongoing efforts to reduce its borrowings

Financial Position

	Dec-2025	Dec-2024	Change (₱)	% Change	% to Total
ASSETS					
Current Assets					
Cash and cash equivalents	₱7,892,968,769	₱8,293,005,389	(400,036,620)	(4.8%)	4.5%
Receivables	10,476,842,735	11,262,666,490	(785,823,755)	(7.0%)	6.0%
Segregated fund assets	49,029,028,334	42,142,462,815	6,886,565,519	16.3%	27.9%
Reinsurance Assets	11,354,431,818	18,355,961,194	(7,001,529,376)	(38.1%)	6.5%
Inventories	458,332,319	398,314,089	60,018,230	15.1%	0.3%
Loans receivable	2,538,743,453	2,059,584,359	479,159,094	23.3%	1.4%
Receivable from related parties	4,594,942	4,534,187	60,755	1.3%	0.0%
Prepaid expenses and other current assets	1,023,003,262	1,068,902,272	(45,899,010)	(4.3%)	0.6%
Total Current Assets	82,777,945,632	83,585,430,795	(807,485,163)	(0.1%)	47.1%
Non-Current Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	26,990,433,313	25,550,142,935	1,440,290,378	6%	15%
Financial assets at fair value through profit or loss (FVTPL)	10,317,194,692	7,903,390,740	2,413,803,952	31%	6%
Investment securities at amortized cost	5,282,084,420	4,379,302,139	902,782,281	21%	3%
Investments in associates and joint ventures	5,157,536,653	4,874,309,874	283,226,779	6%	3%
Property and Equipment					
At revalued amount	16,051,401,089	15,015,152,509	1,036,248,580	7%	9%
At cost	11,003,008,848	9,037,246,462	1,965,762,386	22%	6%
Investment properties	12,294,404,802	12,395,384,044	(100,979,242)	(1%)	7%
Deferred tax assets - net	1,201,402,351	1,027,522,831	173,879,520	17%	1%
Right of use assets	731,662,759	610,840,289	120,822,470	20%	0%
Goodwill	176,176,264	176,176,264	-	-	-
Retirement Asset	126,011,710	147,337,007	(21,325,297)	(14%)	-
Deferred acquisition costs	500,932,659	527,720,153	(26,787,494)	(5%)	-
Other noncurrent assets - net	2,970,265,946	2,413,987,080	371,747,847	23%	2%
Total Noncurrent Assets	92,802,515,506	84,058,512,327	8,744,003,179	10%	53%
TOTAL ASSETS	₱175,580,461,138	₱167,643,943,122	7,936,518,016	5%	100%

The Group's total consolidated assets as of year-end stood at P175.58 billion, reflecting a 5% increase from the previous year.

Consolidated total current assets remained relatively stable at P82.78 billion. Cash and cash equivalents decreased mainly due to repayment of loans, payment of claims, reinsurance premiums, and other maturing obligations. Receivables dropped due to stronger collection performance of the Group. The increase in segregated fund assets pertains to the new variable unit-linked policies (VUL) of the life insurance business. The reduction in reinsurance assets pertains to collection of recoverable losses from reinsurance companies. Inventories in automotive business increased due to lower sales volume. Loans receivable increased mainly due to higher investment receivables arising from segregated fund transactions, driven by redemptions and new contributions. Whereas, the increase in prepaid expenses and other current assets pertains mainly to additional tax certificates.

Total noncurrent assets increased from P84.06 billion to P92.80 billion, driven mainly by additional investments of the financial services segment, and increase in construction in progress recorded under property and equipment. The increase in financial assets at fair value through profit or loss (FVTPL), through other comprehensive income (FVOCI), and investment at amortized cost was mainly due to additional investments of

the financial services sector coupled with fair value gains as of the period. Investments in associates and joint ventures increased due to equity earnings for the period driven by higher net income of affiliates. Increase in deferred tax assets is mainly attributable to additional provisions recognized by the financial services segment. Increase in right-of-use assets pertains to new lease agreements entered into by the Group. On the other hand, retirement asset dropped due to benefit payments made during the year. Deferred acquisition costs represent commissions and other expenses related to the issuance and renewal of insurance contracts by the non-life business. The increase in other non-current assets was attributable to additional input tax on capital goods arising from construction in progress within the property and property services segment.

LIABILITIES and EQUITY	Dec-2025	Dec-2024	Change (P)	% Change	% to Total
Current Liabilities					
Accounts payable and other current liabilities	P8,061,036,339	P9,883,117,824	(P1,822,081,485)	(18.4%)	4.6%
Loans payable	10,398,665,000	5,635,000,000	4,763,665,000	84.5%	5.9%
Segregated fund liabilities	49,029,028,334	42,142,462,815	6,886,565,519	16.3%	27.9%
Current portion of long-term debt	32,573,600	32,573,600	-	-	-
Current portion of contract liabilities	1,469,268,526	1,464,893,638	4,374,888	0.3%	0.8%
Current portion of insurance contract liabilities	26,060,567,140	31,956,515,864	(5,895,948,724)	(18.4%)	14.8%
Current portion of lease liability	150,345,529	167,708,899	(17,363,370)	(10.4%)	0.1%
Income tax payable	236,197,636	139,014,263	97,183,373	69.9%	0.1%
Due to related parties	153,973,334	148,011,591	5,961,743	4.0%	0.1%
Total Current Liabilities	95,591,655,438	91,569,298,494	4,022,356,944	4.4%	54.4%
Non-Current Liabilities					
Long-term debt - noncurrent portion	228,704,200	2,682,729,050	(2,454,024,850)	(91.5%)	0.1%
Contract liabilities - noncurrent portion	160,886,163	112,250,951	48,635,212	43.3%	0.1%
Insurance contract liabilities - noncurrent portion	17,907,523,571	15,747,336,991	2,160,186,580	13.7%	10.2%
Lease Liability - noncurrent	690,346,777	562,687,392	127,659,385	22.7%	0.4%
Deferred tax liabilities	2,212,539,684	2,101,968,409	110,571,275	5.3%	1.3%
Retirement liabilities	807,377,239	847,990,521	(40,613,282)	(4.8%)	0.5%
Deferred reinsurance commissions	241,302,345	245,799,378	(4,497,033)	(1.8%)	0.1%
Other noncurrent liabilities	149,465,625	899,972,615	(750,506,990)	(83.4%)	0.1%
Total Noncurrent Liabilities	22,398,145,604	23,200,735,307	(802,589,703)	(3.5%)	12.8%
TOTAL LIABILITIES	117,989,801,042	114,770,033,801	3,219,767,241	2.8%	67.2%
Equity					
Attributable to equity holders of the Parent Company					
Common stock	P2,201,795,746	P2,201,795,746	P -	-	1.3%
Additional paid in capital	14,808,241,606	14,808,241,606	-	-	8.4%
Equity reserve on acquisition of noncontrolling interest	(806,224,306)	(806,224,306)	-	-	(0.5%)
Revaluation increment on land	4,251,766,552	3,779,148,385	472,618,167	12.5%	2.4%
Cumulative translation adjustment	52,070,669	47,177,851	4,892,818	10.4%	0.0%
Changes in fair value of equity investments carried at FVOCI	74,098,492	(352,644,065)	426,742,557	121%	0.0%
Remeasurement losses on net retirement liability	(88,078,445)	(59,802,377)	(28,276,068)	47.3%	-0.1%
Remeasurement on legal policy reserves	34,071,172	(13,652,322)	47,723,494	(349.6%)	0.0%
Retained Earnings					
Unappropriated	13,719,852,267	11,813,200,762	1,906,651,505	16.1%	7.8%
Appropriated	1,700,000,000	1,700,000,000	-	-	1.0%
	35,947,593,753	33,117,241,280	2,830,352,473	8.5%	20.5%
Noncontrolling interest	21,643,066,343	19,756,668,041	1,886,398,302	9.5%	12.3%
TOTAL EQUITY	57,590,660,096	52,873,909,321	4,716,750,775	8.9%	32.8%
TOTAL LIABILITIES AND EQUITY	P175,580,461,138	P167,643,943,122	7,936,518,016	4.7%	100%

Total liabilities slightly increased from P114.77 billion to about P118.00 billion mainly from growth in funds associated with new VUL policies of the life insurance business.

Total current liabilities increased from P91.57 billion to P95.60 billion. Accounts payable and other current liabilities decreased due to settlement of obligations while income tax payable increased mainly from higher taxable income of the Group. Loans payable increased due to additional borrowings by the property group and the maturity of a long-term loan which was converted to a short-term loan within the same group. Reduction in insurance contract liabilities was mainly from settlement of claims and reinsurance premiums while decrease in current portion of lease liability pertains to regular payments of the Group.

Total noncurrent liabilities dropped to P22.40 billion from P23.20 billion mainly due to settlement of the long-term loans of property group. Noncurrent contract liabilities primarily consist of advances and rental deposits under the property group. Noncurrent insurance contract liabilities pertain mainly to obligations of the life insurance business that are expected to be settled more than one year from the balance sheet date. The increase in lease liabilities pertains to the impact of new lease agreements entered into by the Group. Deferred tax

liabilities also increased due to the effect of the revaluation of land owned by the Group. Decrease in other noncurrent liabilities mainly due to the settlement of installment payables by the property group.

Consolidated total equity increased to P57.60 billion from P52.87 billion, driven by the following: (a) increase in revaluation increment on land, which pertains to changes in the fair values of properties owned by the education segment; (b) increase in changes in fair value of equity investments carried at FVOCI, due to improved market price per share of certain investments of the financial services segment; (c) favorable remeasurement on legal policy reserves during the period, primarily driven by updates in key actuarial assumptions; and (d) increase in consolidated retained earnings, which rose from P13.51 billion to P15.42 billion, reflecting the Group's higher net income for the period.

Results of Operations

2024 vs 2023

	Period Ended December 31		
	2024	2023	2022
REVENUES	36,096,981,006	11,094,211,630	9,478,680,114
COSTS OF SALES AND SERVICES	27,949,445,942	8,067,570,593	6,873,239,184
GROSS PROFIT	8,147,535,064	3,026,641,037	2,605,440,930
GENERAL AND ADMINISTRATIVE EXPENSE	(5,001,533,998)	(1,680,825,829)	(1,570,794,443)
OTHER INCOME	688,822,300	243,482,184	311,999,656
EQUITY IN NET EARNINGS OF ASSOCIATES	81,479,896	116,716,080	530,888,513
INTEREST AND FINANCE CHARGES	(630,532,352)	(525,779,116)	(271,576,420)
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,285,770,910	1,180,234,356	1,605,958,236
PROVISION FOR INCOME TAX	(607,080,589)	(138,322,300)	(48,404,042)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	2,678,690,321	1,041,912,056	1,557,554,194
<i>Deconsolidated Operations</i>			
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	-	(426,307,138)	166,789,425
NET INCOME (LOSS)	2,678,690,321	615,604,918	1,724,343,619

For the year ended December 31, 2024, the Parent Company reported a significant improvement in financial performance, reflecting the first full recognition of operational results from subsidiaries acquired in December 2023. These subsidiaries contributed materially to both revenue and net income growth and now serve as the primary drivers of the Company's consolidated results.

Consolidated revenues rose by 225%, from P11,094.21 million in previous year to P36,096.98 million in 2024. Approximately 95% of the increase is attributable to the financial services sector, particularly from the life insurance company, while the remaining represents organic growth from existing operations. Revenue from the leasing business improved by 11%, which pertains to higher occupancy rate compared to previous year. Likewise, vehicle sales improved by 8%, which resulted to higher revenues from sale of goods. Due to higher enrollment and discontinuation of discounts offered during the pandemic period, the education sector showed an 18% growth compared to last year.

Significant increase in consolidated cost of sales and services, and general and administrative expenses are largely attributable to the new subsidiaries, with minimal increase from existing operations.

Other income pertains mainly to interests from regular and short-term time deposits.

Equity in net earnings of associates is lower, at P81.48 million this year compared to P116.72 million last year, primarily due to remeasurement loss recognized by the energy sector, pertaining to the direct acquisition of 20% interest of EEI Power Corporation in PetroWind Energy Inc.

Interest and finance charges increased from P525.78 million to P630.53 million, due to higher level of debts coupled with higher average interest rates compared to last year.

Provision for income tax is significantly higher, primarily driven by the new subsidiaries coupled by the change in income tax rate of the education sector from 1% to 10% effective July 2023, as mandated by the Bayanihan Act.

The Group's net income rose to P2,678.70 million in 2024, compared to previous year's P615.60 million, net of losses from deconsolidated operations. The improvement was driven primarily by the financial services sector, which contributed P1,770.67 million in net income. The remaining growth was largely attributable to the education sector.

FINANCIAL POSITION

	Dec-2024	Dec-2023	Change (P)	% Change	% to Assets
ASSETS					
Current Assets					
Cash and cash equivalents	8,293,005,389	6,633,047,805	1,659,957,584	25.0%	4.9%
Receivables	11,262,666,490	11,685,674,611	(423,008,121)	-3.6%	6.7%
Segregated fund assets	42,142,462,815	37,569,985,225	4,572,477,590	12.2%	25.1%
Reinsurance Assets	18,355,961,194	24,230,398,085	(5,874,436,891)	-24.2%	10.9%
Inventories	398,314,089	496,661,387	(98,347,298)	-19.8%	0.2%
Loans receivable	2,059,584,359	1,865,811,107	193,773,252	10.4%	1.2%
Financial assets at fair value through profit or loss (FVTPL)			-	N/A	0.0%
Receivable from related parties	4,534,187	17,279,419	(12,745,232)	-73.8%	0.0%
Assets Held for Sale	-	337,378,019	(337,378,019)	-100.0%	0.0%
Prepaid expenses and other current assets	2,164,480,345	2,060,908,494	103,571,851	5.0%	1.3%
Total Current Assets	84,681,008,868	84,897,144,152	(216,135,284)	-0.3%	50.5%
Non-Current Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	25,550,142,935	22,847,990,404	2,702,152,531	11.8%	15.2%
Financial assets at fair value through profit or loss (FVTPL)	7,903,390,740	6,422,981,790	1,480,408,950	23.0%	4.7%
Investment securities at amortized cost	4,379,302,139	3,312,776,303	1,066,525,836	32.2%	2.6%
Investments in associates and joint ventures	4,874,309,874	6,019,840,170	(1,145,530,296)	-19.0%	2.9%
Property and Equipment					
At revalued amount	15,015,152,509	15,469,825,819	(454,673,310)	-2.9%	9.0%
At cost	9,037,246,462	7,073,528,753	1,963,717,709	27.8%	5.4%
Investment properties	12,395,384,044	10,895,830,103	1,499,553,941	13.8%	7.4%
Deferred tax assets - net	1,027,522,831	831,675,971	195,846,860	23.5%	0.6%
Right of use assets	610,840,289	486,018,030	124,822,259	25.7%	0.4%
Goodwill	176,176,264	183,970,413	(7,794,149)	-4.2%	0.1%
Retirement Asset	147,337,007	21,302,255	126,034,752	591.6%	0.1%
Deferred acquisition costs	527,720,153	499,447,146	28,273,007	5.7%	0.3%
Other noncurrent assets - net	1,318,409,007	1,002,101,112	316,307,895	31.6%	0.8%
Total Noncurrent Assets	82,962,934,254	75,067,288,269	7,895,645,985	11%	49.5%
TOTAL ASSETS	167,643,943,122	159,964,432,421	7,679,510,701	4.8%	100.0%

As of December 31, 2024, the Group's financial position remained strong and was broadly consistent with the prior year, when the newly acquired subsidiaries were first consolidated. Total assets stood at P167.64 billion from P159.96 billion in prior year.

Increase in cash and cash equivalents and receivables are mainly attributable to the insurance companies, particularly the non-life sector. Segregated fund assets, which are related to unit-linked insurance contracts of life insurance company, pertain to consideration received from policyholders which are transferred to the fund. Reinsurance assets represent balances due from reinsurance companies of the non-life insurance company. Inventories are primarily from the automotive segment. Increase in loans receivable, which includes policy loans granted to policyholders and investments in commercial papers, are primarily from the life insurance company. Receivable from related parties decreased due to settlements as of the period. Asset held for sale pertains to the 4.5% equity investment in EEI, which was classified as held for sale in December 2023 and subsequently sold on January 5, 2024. Increase in prepaid expenses and other current assets represents additional creditable withholding tax certificates of non-life insurance and automotive sectors.

Total non-current assets grew by 11%, primarily due to various investments made by the insurance companies, increase in the market value of the Group's properties and additional costs related to the ongoing property development under the Property sector. Investments in associates and joint ventures decreased due to the reclassification of the remaining 15% equity interest in EEI as an investment in Fair Value through Other Comprehensive Income (FVOCI) following the loss of significant influence. Increase in investment property reflects the reclassification of the Parent company's property previously recorded under property, plant and equipment. The increase in deferred tax assets was primarily driven by the insurance companies. Right of use

assets increased mainly due to renewal of leases from automotive segment. Increases in both the retirement asset and deferred acquisition cost were largely attributable to the financial services group, while increase in other non-current assets was mainly due to input taxes related to the ongoing construction activities of the property group.

	Dec-2024	Dec-2023	Change (P)	% Change	% to Assets
ASSETS					
Current Assets					
Cash and cash equivalents	8,293,005,389	6,633,047,805	1,659,957,584	25.0%	4.9%
Receivables	11,262,666,490	11,685,674,611	(423,008,121)	-3.6%	6.7%
Segregated fund assets	42,142,462,815	37,569,985,225	4,572,477,590	12.2%	25.1%
Reinsurance Assets	18,355,961,194	24,230,398,085	(5,874,436,891)	-24.2%	10.9%
Inventories	398,314,089	496,661,387	(98,347,298)	-19.8%	0.2%
Loans receivable	2,059,584,359	1,865,811,107	193,773,252	10.4%	1.2%
Financial assets at fair value through profit or loss (FVTPL)			-	N/A	0.0%
LIABILITIES and EQUITY					
Current Liabilities					
Accounts payable and other current liabilities	9,883,117,824	7,649,852,076	2,233,265,748	29.2%	5.9%
Loans payable	5,635,000,000	3,971,142,021	1,663,857,979	41.9%	3.4%
Segregated fund liabilities	42,142,462,815	37,569,985,225	4,572,477,590	12.2%	25.1%
Current portion of long term debt	32,573,600	32,573,600	-	0.0%	0.0%
Current portion of contract liabilities	1,464,893,638	1,147,189,447	317,704,191	27.7%	0.9%
Current portion of insurance contract liabilities	31,956,515,864	37,422,659,896	(5,466,144,032)	-14.6%	19.1%
Current portion of lease liability	167,708,899	97,874,024	69,834,875	71.4%	0.1%
Income tax payable	139,014,263	39,956,012	99,058,251	247.9%	0.1%
Due to related parties	148,011,591	89,378,588	58,633,003	65.6%	0.1%
Total Current Liabilities	91,569,298,494	88,020,610,889	3,548,687,605	4.0%	54.6%
Noncurrent Liabilities					
Long-term debt - noncurrent portion	2,682,729,050	2,709,237,650	(26,508,600)	-1.0%	1.6%
Contract liabilities - noncurrent portion	112,250,951	124,339,470	(12,088,519)	-9.7%	0.1%
Insurance contract liabilities - noncurrent portion	15,747,336,991	14,026,067,186	1,721,269,805	12.3%	9.4%
Lease Liability - noncurrent	562,687,392	510,109,278	52,578,114	10.3%	0.3%
Deferred tax liabilities	2,101,968,409	1,990,204,297	111,764,112	5.6%	1.3%
Retirement liabilities	847,990,521	684,971,030	163,019,491	23.8%	0.5%
Deferred reinsurance commissions	245,799,378	198,267,206	47,532,172	24.0%	0.1%
Other noncurrent liabilities	899,972,615	1,486,005,501	(586,032,886)	-39.4%	0.5%
Total Noncurrent Liabilities	23,200,735,307	21,729,201,618	1,471,533,689	6.8%	13.8%
Total Liabilities	114,770,033,801	109,749,812,507	5,020,221,294	4.6%	68.5%
Equity					
Attributable to equity holders of the Parent Company					
Common stock	2,201,795,746	2,201,795,746	-	0.0%	1.3%
Additional paid in capital	14,808,241,606	14,808,241,606	-	0.0%	8.8%
Equity reserve on acquisition of noncontrolling interest	(806,224,306)	(868,077,101)	61,852,795	-7.1%	-0.5%
Revaluation increment on land	3,779,148,385	3,289,823,486	489,324,899	14.9%	2.3%
Cumulative translation adjustment	47,177,851	46,376,718	801,133	1.7%	0.0%
Changes in fair value of equity investments carried at FVOCI	(352,644,065)	(47,667,218)	(304,976,847)	639.8%	-0.2%
Remeasurement losses on net retirement liability	(59,802,377)	(18,380,971)	(41,421,406)	225.3%	0.0%
Remeasurement on legal policy reserves	(13,652,322)	-	(13,652,322)	N/A	0.0%
Retained Earnings					
Unappropriated	11,813,200,762	7,390,657,134	4,422,543,628	59.8%	7.0%
Appropriated	1,700,000,000	5,200,000,000	(3,500,000,000)	-67.3%	1.0%
	33,117,241,280	32,002,769,400	1,114,471,880	3.5%	19.8%
Noncontrolling interest	19,756,668,041	18,211,850,514	1,544,817,527	8.5%	11.8%
Total Equity	52,873,909,321	50,214,619,914	2,659,289,407	5.3%	31.5%
	167,643,943,122	159,964,432,421	7,679,510,701	4.8%	100.0%

Total liabilities increased from P109.75 billion to P114.77 billion. Current liabilities are at P91.57 billion, driven by increase in accounts payable to suppliers and contractors, higher loan balances and increase in segregated fund liabilities. Noncurrent liabilities increased from P21.73 billion to P23.20 billion. Increase is driven by higher contract liabilities of the insurance sector, retirement obligations of the Group and higher deferred tax liabilities recognized relative to increase in fair value of properties.

Consolidated equity amounted to P52.87 billion. The growth was primarily driven by the net income generated during the year as well as the increase in fair value of properties, tempered by changes in fair value of equity investments carried at FVOCI and remeasurement losses on net retirement liability. The Group continues to maintain a strong capital base to support its ongoing operations and future expansion initiatives.

Year 2023 vs. 2022

RESULTS OF OPERATIONS

	2023	2022 (Re-Stated)	2021 (Re-Stated)	% Change	% to Revenues
TOTAL REVENUES	11,094,211,630	9,478,680,114	7,494,179,168	17.0%	100.0%
TOTAL COSTS OF SALES AND SERVICES	7,973,528,936	6,873,239,184	5,399,928,581	16.0%	71.9%
GROSS PROFIT	3,120,682,694	2,605,440,931	2,094,250,587	19.8%	28.1%
GENERAL AND ADMINISTRATIVE EXPENSE	(1,774,867,486)	(1,570,794,443)	(1,296,907,738)	13.0%	(16.0)%
OTHER INCOME - net	243,482,184	311,999,655	98,861,745	(22.0)%	2.2%
EQUITY IN NET EARNINGS OF ASSOCIATES	116,716,080	530,888,513	505,172,538	(78.0)%	1.1%
INTEREST AND FINANCE CHARGES	(525,779,116)	(271,576,420)	(238,886,706)	93.6%	(4.7)%
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,180,234,356	1,605,958,236	1,162,490,425	(26.5)%	10.6%
PROVISION FOR INCOME TAX	(138,322,300)	(48,404,042)	13,236,072	185.8%	(1.2)%
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	1,041,912,056	1,557,554,195	1,175,726,497	(33.1)%	9.4%
Deconsolidated Operations					
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	(426,307,138)	166,789,425	452,039,807	(355.6)%	(3.8)%
NET INCOME (LOSS)	615,604,918	1,724,343,620	1,627,766,304	(64.3)%	5.5%

Consolidated revenues were higher at P11,094.21 million compared to previous year's P9,478.68 million. Revenue from services, which is mainly attributable to the leasing business of the group, grew by 55%. Likewise, vehicle sales have improved by 8%, which resulted to higher revenues from goods. Due to higher enrollment and discontinuation of discounts offered during the pandemic period, the education sector showed a 14% growth compared to last year.

Consolidated cost of sales and services, and general and administrative expenses ("GAE") increased by 16% and 13%, respectively. The increase is attributable to higher a) personnel costs, due to increase in headcount; (b) professional fees, which are primarily from growth initiatives of the group; (c) security, janitorial and other services, due to increase in average daily wage rate and return to normal operations; (d) advertising and promotions, as the subsidiaries continuously intensify its marketing activities; and (e) depreciation expense, relative to full year impact of CAPEX incurred mid-2022.

Other income pertains mainly to interests from short-term time deposits.

Equity in net earnings of associates is lower, at P116.72 million this year compared to P530.89 million last year, primarily due to losses incurred by the automotive sector and from the construction sector.

Interest and finance charges increased from P271.58 million to P525.78 million, due to higher level of debts coupled with higher average interest rates compared to last year.

Provision for income tax is significantly higher because, as mandated by the Bayanihan Act, the income tax rate applicable to the education sector has reverted to 10% from 1% effective July 2023.

This year, the Parent Company decided to sell its investment in the construction sector, which resulted to a reduced stake of 21% from 55.34%. The loss of control over the construction subsidiary has resulted to an accounting loss of P426.31 million. Details of which are presented to the notes to financial statement.

As a result, the Group's net income from continuing operations was significantly reduced from P1,041.91 million to P615.60 million.

FINANCIAL POSITION

	2023	2022	Change (Php)	% Change	% to Total Assets
ASSETS					
Current Assets					
Cash and cash equivalents	6,633,047,805	6,630,467,357	2,580,448	0.0%	4.1%
Receivables	11,685,674,611	4,250,815,749	7,434,858,862	174.9%	7.3%
Contract Assets	-	5,182,274,282	(5,182,274,282)	-100.0%	0.0%
Segregated fund assets	37,569,985,225	-	37,569,985,225	N/A	23.5%
Reinsurance Assets	24,230,398,085	-	24,230,398,085	N/A	15.1%
Inventories	496,661,387	1,502,027,586	(1,005,366,199)	-66.9%	0.3%
Loans receivable	1,865,811,107	-	1,865,811,107	N/A	1.2%
Assets Held for Sale	408,819,217	-	408,819,217	N/A	0.3%
Financial assets at fair value through profit or loss (FVTPL)	6,422,981,790	14,892,802	6,408,088,988	N/A	4.0%
Receivable from related parties	17,279,419	178,008,353	(160,728,934)	-90.3%	0.0%
Prepaid expenses and other current assets	2,060,908,494	2,117,354,151	(56,445,657)	-2.7%	1.3%
Total Current Assets	91,391,567,140	19,875,840,280	71,515,726,860	359.8%	57.1%
Non-Current Assets					
Contract Assets - net of current portion	-	5,190,526,530	(5,190,526,530)	-100.0%	0.0%
Financial assets at fair value through other comprehensive income (FVOCI)	22,847,990,404	650,642,033	22,197,348,371	N/A	14.3%
Investment securities at amortized cost	3,312,776,303	-	3,312,776,303	N/A	2.1%
Investments in associates and joint ventures	6,019,840,170	8,303,323,179	(2,283,483,009)	-27.5%	3.8%
Property and Equipment					
At revalued amount	15,469,825,819	9,875,430,378	5,594,395,441	56.6%	9.7%
At cost	7,073,528,753	7,225,811,452	(152,282,699)	-2.1%	4.4%
Investment properties	10,824,388,905	8,109,162,827	2,715,226,078	33.5%	6.8%
Deferred tax assets - net	831,675,971	1,412,438,716	(580,762,745)	-41.1%	0.5%
Right of use assets	486,018,030	1,194,764,548	(708,746,518)	-59.3%	0.3%
Goodwill	183,970,413	484,829,719	(300,859,306)	-62.1%	0.1%
Retirement Asset	21,302,255	93,338,840	(72,036,585)	-77.2%	0.0%
Deferred acquisition costs	499,447,146	-	499,447,146	N/A	0.3%
Other noncurrent assets - net	1,002,101,112	2,810,716,784	(1,808,615,672)	-64.3%	0.6%
Total Noncurrent Assets	68,572,865,281	45,350,985,006	23,221,880,275	51.2%	42.9%
TOTAL ASSETS	159,964,432,421	65,226,825,286	94,737,607,135	145.2%	100.0%

On 29 December 2023, the Parent Company was able to get approval from SEC to acquire 51% ownership over SLGFI, and 77.33% ownership over MEI, through a share swap agreement. The consolidation of net assets of these entities has tempered the impact of the deconsolidation of the construction subsidiary.

Total consolidated assets of the Group grew to P159.96 billion from P65.23 billion in 2022, primarily due to the assets of SLGFI and MEI, which can be distinctively identified to these entities.

Increase in receivables are mainly attributable to MEI. Inventories are primarily from automotive segment. Asset Held for Sale pertains mainly to the 4.5% shares owned by the Parent Company which were sold in January 2024. Prepaid expenses and other current assets increased due to additional tax credit certificates received by the Group.

Total noncurrent assets grew to P68.57 billion from P45.35 billion.

Increase in Financial assets at FVOCI pertains primarily to SLGFI and MEI. Investments in associates and joint ventures includes the remaining investment in the construction sector. The reduction pertains to the deconsolidation of the construction subsidiary. Increase in property, plant and equipment pertains primarily to: (a) additional costs related to the ongoing property development under the Property sector; (b) fair value of real estate; and (c) properties from the new subsidiaries. Investment properties, which are recorded at cost, includes properties from new subsidiaries. Whereas, reduction in other assets such as ROU, Goodwill, retirement and others pertain to deconsolidation of the construction subsidiary.

	2023	2022	Change (Php)	% Change	% to Total Assets
LIABILITIES and EQUITY					
Current Liabilities					
Accounts payable and other current liabilities	7,649,852,076	7,023,609,751	626,242,325	8.9%	4.8%
Loans payable	3,971,142,021	8,217,000,000	(4,245,857,979)	-51.7%	2.5%
Segregated fund liabilities	37,569,985,225	-	37,569,985,225	N/A	23.5%
Current portion of long term debt	32,573,600	4,714,765,059	(4,682,191,459)	-99.3%	0.0%
Current portion of contract liabilities	1,147,189,447	1,387,334,090	(240,144,643)	-17.3%	0.7%
Insurance contract liabilities - noncurrent portion	37,422,659,896	-	37,422,659,896	N/A	23.4%
Current portion of lease liability	97,874,024	168,473,399	(70,599,375)	-41.9%	0.1%
Income tax payable	39,956,012	17,927,194	22,028,818	122.9%	0.0%
Due to related parties	89,378,588	2,532,535	86,846,053	N/A	0.1%
Total Current Liabilities	88,020,610,889	21,531,642,028	66,488,968,861	308.8%	55.0%
Noncurrent Liabilities					
Long-term debt - net of current portion	2,709,237,650	4,316,758,220	(1,607,520,570)	-37.2%	1.7%
Contract liabilities - net of current portion	124,339,470	826,701,427	(702,361,957)	-85.0%	0.1%
Insurance contract liabilities - noncurrent portion	14,026,067,186	-	14,026,067,186	N/A	8.8%
Lease Liability	510,109,278	1,210,356,879	(700,247,601)	-57.9%	0.3%
Deferred tax liabilities	1,990,204,297	1,044,811,603	945,392,694	90.5%	1.2%
Accrued retirement liability	684,971,030	200,096,343	484,874,687	242.3%	0.4%
Deferred reinsurance commissions	198,267,206	-	198,267,206	N/A	0.1%
Other noncurrent liabilities	1,486,005,501	232,075,531	1,253,929,970	540.3%	0.9%
Total Noncurrent Liabilities	21,729,201,618	7,830,800,003	13,898,401,615	177.5%	13.6%
Total Liabilities	109,749,812,507	29,362,442,031	80,387,370,476	273.8%	68.6%
Equity					
Capital stock	2,201,795,746	1,162,540,326	1,039,255,420	89.4%	1.4%
Additional paid in capital	14,808,241,606	154,578,328	14,653,663,278	N/A	9.3%
Equity reserve on acquisition of noncontrolling interest	(868,077,102)	1,932,007,449	(2,800,084,551)	-144.9%	-0.5%
Revaluation increment on land	3,289,823,486	2,218,473,182	1,071,350,304	48.3%	2.1%
Cumulative translation adjustment	46,376,718	352,101,517	(305,724,799)	-86.8%	0.0%
Changes in fair value of equity investments carried at FVOCI	(47,667,218)	111,000,523	(158,667,741)	-142.9%	0.0%
Remeasurement losses on net retirement liability	(18,380,970)	(14,062,367)	(4,318,603)	30.7%	0.0%
Retained Earnings					
Unappropriated	7,390,657,134	4,944,402,862	2,446,254,272	49.5%	4.6%
Appropriated	5,200,000,000	7,505,355,000	(2,305,355,000)	-30.7%	3.3%
	32,002,769,400	18,366,396,820	13,636,372,580	74.2%	20.0%
Noncontrolling interest	18,211,850,514	17,497,986,435	713,864,079	4.1%	11.4%
Total Equity	50,214,619,914	35,864,383,255	14,350,236,659	40.0%	31.4%
	159,964,432,421	65,226,825,286	94,737,607,135	145.2%	100.0%

Total liabilities increased to P109.75 billion from P29.36 billion.

Total current liabilities are at P88.02 billion. The huge increase from last year pertains to the segregated fund and contract liabilities of the insurance sector. Loans were significantly reduced to manage the Group's interest cost. Increase in due to related parties pertains to construction-related obligations of Property sector which are due within the next period. Net movement in lease liabilities pertains to amortization.

Total noncurrent liabilities increased to P21.73 billion from P7.83 billion. The big jump pertains to noncurrent portion of contract liabilities of the insurance sector. Deferred tax liability also increased primarily due to revaluation increment in real properties. Increase in accrued retirement liability pertains to additional provision recognized by the Group.

Consolidated equity rose from P35.86 billion to P50.21 billion following an increase in both capital stock and additional paid-in capital, as a result of the executed share swap agreement.

Financial Ratios

Below are the financial ratios that are relevant to the Group's for the years ended December 31, 2025 and 2024:

Financial ratios	2025	2024
Current ratio	0.87:1	0.91:1
<i>Indicates the Group's ability to pay short-term obligation</i>	Current Assets	Current Liabilities

Financial ratios		2025	2024
Solvency Ratio <i>Shows how likely a company will be to continue meeting its debt obligations</i>	$\frac{\text{Net Income+Depreciation}}{\text{Total liabilities}}$	0.04:1	0.03:1
Debt-to-equity ratio <i>Measures the Group's overall leverage</i>	$\frac{\text{Total Debt}}{\text{Total Equity}}$	2.05:1	2.17:1
Asset to Equity Ratio <i>Measures the group's leverage and long-term solvency</i>	$\frac{\text{Total Assets}}{\text{Total Equity}}$	3.05:1	3.17:1
Interest Rate Coverage <i>Shows how easily a company can pay interest on outstanding debt</i>	$\frac{\text{EBIT*}}{\text{Interest Expense}}$	8.82:1	6.21:1
Return on Assets <i>Measure the ability to utilize the Group's assets to create profits</i>	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	2.14%	1.64%
Return on Equity <i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	6.66%	5.20%

**Earnings before interest and taxes*

Current ratio is lower at 0.87 in 2025 compared to 0.91 in 2024. This was mainly due to decrease in reinsurance assets from the insurance sector.

Solvency ratio is higher at 0.04 in 2025 against 0.03 in 2024. This is mainly due to higher net income for the period.

Debt-to-Equity ratio measures the Group's leverage. It decreased from 2.17 to 2.05 this year, driven by higher net income compared to prior year.

Asset-to-Equity ratio decreased from 3.17 to 3.05, which is primarily due to strong position of Group's equity driven by higher other comprehensive income and net income compared to last year.

Interest Rate Coverage ratio shows how easily a company can pay interest on outstanding debt. It is higher at 8.82 driven by higher earnings compared to the previous year.

Return on Assets measures the ability to utilize the Group's assets to create profits. The Group's return on assets for the year 2025 increased to 2.14 from 1.64 in 2024. This is attributable to higher net income generated during the year.

Return on Equity (ROE) measures the profitability of the Company in relation to the average stockholders' equity. The ROE for 2025 went up to 6.66 from 5.20 in 2024 largely due to the higher income posted in 2025, mainly from financial services group.

The above-mentioned ratios are applicable to the Group as a whole.

Other qualitative and quantitative factors

- (i) There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way;
 - a. House of Investments does not anticipate any cash flow or liquidity problems within the next twelve months;
 - b. House of Investments is not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement which will require the Company to make payments;
 - c. There is no significant amount of trade payable that have not been paid within the stated terms; and
 - d. House of Investments depends on dividends from its subsidiaries as its source of liquidity.
- (ii) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
- (iii) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;
- (iv) Below are the material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

San Lorenzo Ruiz Investment Holdings and Services, Inc. is redeveloping a property along Sen. Gil J. Puyat Avenue in Makati into a mix-use commercial complex through a joint venture with Sojitz Corporation of Japan. The estimated development cost is P9.3 billion.
- (v) There is no known trend, event or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income of the Group from continuing operations;
- (vi) There are no significant elements of income or loss that did not arise from the House of Investments' continuing operations;
- (vii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item are discussed above;
- (viii) There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Item 7 – Financial Statements

The 2025 audited consolidated financial statements of House of Investments are incorporated herein by reference. The schedules listed in the accompanying index to Supplementary Schedules are filed as part of this Form 17-A.

Item 8 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The accounting firm of Sycip Gorres Velayo and Co. (SGV & Co.), with office address at 6760 Ayala Avenue, SGV Building, Makati City, Philippines, has been the Company's Independent Auditors since the Company's incorporation, and has been recommended to serve as such for the current year.

Pursuant to Memorandum Circular No. 8, series of 2003 (rotation of external auditors), the Company has engaged Ms. Glenda C. Anisco-Niño, as the engagement partner of SGV & Co. effective the YE 2024 audit. SEC rules mandate the compulsory rotation of audit partners after 5 years.

The engagement of the external auditors was favorably endorsed by the Audit Committee to the Board of Directors. The engagement is ultimately submitted for approval of the stockholders.

Disagreement with Accountants on Accounting and Financial Disclosure

There was no event for the last 5 years where SGV & Co. had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Attendance of Accountants at the Meeting

Representatives of SGV & Co. are expected to be present at the annual stockholders meeting with the opportunity to make any statement, if they so desire, and will be available to respond to appropriate questions on the Company's financial statements.

External Audit Fees and Services

The Company has engaged SGV & Co. as the external auditor, and is tasked to conduct the financial audit of the Company. For this service, SGV & Co. has billed the company the following amounts:

YEAR	AUDIT FEE BILLING
2025	P 17,370,627
2024	P17,939,041
2023	P21,835,215*

* Includes P5.2 million covering special audit on transactions related to the sale of investment in EEI, particularly the effect of the loss of control related to the disposal and the share swap.

The Company has not engaged SGV & Co. for any other services aside from its annual audit for the last five (5) years.

Tax Fees

The Company has not engaged the services of the external auditor for tax accounting, compliance, advice, planning and any other form of tax services.

All Other Fees

Other than the Transfer Pricing Study, there are no other fees billed in each of the last two years for the products and services provided by the external auditor, other than the services reported under the items mentioned above.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers of the Issuer

House of Investments’ Board of Directors has eleven (11) members elected by and from among the stockholders. The Board is accountable for providing overall management and direction of the firm. Board meetings are held on a regular basis or as often as required to discuss the Company’s operations, business strategy, policies, and other corporate matters. The information below includes positions currently held by the directors and executive officers, as well as positions held during the past five years.

DIRECTORS		
Name	Position	Length of Service
Ms. Helen Y. Dee	Chairperson	22 Years
Mr. Lorenzo V. Tan	Director President & CEO	8 Years as Director 6 Years President & CEO
Mr. Medel T. Nera	Director	13 Years
Atty. Wilfrido E. Sanchez	Director	24 Years
Mr. Gil A. Buenaventura	Director	5 Years
Ms. Yvonne S Yuchengco	Director	23 Years

INDEPENDENT DIRECTORS		
Name	Position	Length of Service
Dr. Roberto F. de Ocampo	Director	24 Years
Carlos G. Dominguez	Director	1 year and 9 months
Mr. John Mark Frondoso	Director	8 Years
Mr. Francisco H. Licuanan III	Director	19 Years
Mr. Juan B. Santos	Director	10 Years

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Ms. Helen Y. Dee	Chairperson	81	Filipino
Mr. Lorenzo V. Tan	President & CEO	64	Filipino
Ms. Gema O. Cheng	EVP – COO, CFO & Treasurer	61	Filipino
Mr. Alexander Anthony G. Galang	FSVP – Chief Audit Executive	65	Filipino
Mr. Francis O. Hilario	SVP – Group Chief Information and Technology Officer	61	Filipino
Mr. Joselito D. Estrella	SVP – Chief Information Officer	61	Filipino
Ms. Ruth C. Francisco	SVP – Chief Risk Officer	62	Filipino
Ms. Mary Anne R. Narvaez*	SVP – Deputy Chief Financial Officer	49	Filipino
Ms. Ma. Esperanza F. Joven	FVP – Finance	55	Filipino
Ms. Ma. Elisa E. De Lara	FVP – Internal Audit	56	Filipino
Ms. Maria Teresa T. Bautista	FVP – Corporate Controller	53	Filipino
Ms. Chona B. Cacho	VP – IT Audit Cluster	42	Filipino
Ms. Sonia P. Villegas	VP – Human Resources and Admin	57	Filipino
Ms. Liwliwa Grace D. Valencia	VP – Strategic HR	53	Filipino
Atty. Lalaine P. Monserate	VP – Legal & Compliance Officer	62	Filipino
Mr. Gerard G. Magadia	VP – GM, Procurement Shared Services	54	Filipino
Mr. Glenson K. Lim*	VP – Property	47	Filipino

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Mr. Charles A. Rosario	VP – IT Operations	52	Filipino
Atty. Samuel V. Torres	Corporate Secretary	60	Filipino
Atty. Ma. Elvira Bernadette G. Gonzalez	Asst. Corporate Secretary	48	Filipino

* Resigned in 2026

POSITION AND BACKGROUND

HELEN Y. DEE, 81 years old, Filipino, has been **Chairperson** of the Board since 2001 to present. She was also **President and CEO** of the company from 2001-2011. She is currently serving as **Chairperson** of PetroEnergy Resources Corporation, Rizal Commercial Banking Corporation, all of which are PSE-listed companies. She is the **Chairperson, Vice Chairperson or a Director** of several companies engaged in telecommunications (PLDT), banking, insurance, and real property businesses. **Educational Background:** Ms. Dee received her Master’s Degree in Business Administration from De La Salle University.

LORENZO V. TAN, 64, Filipino, is a **Director** from 2017 to present and the **President & CEO** from 2019 to present. Mr. Tan is currently serving as **Chairman** of EEI Corporation; **Director** of Smart Communications, Inc., Digitel Telecommunications, Sunlife Grepa Financial, Inc., iPeople Inc., Malayan Insurance Company, Inc., Manila Memorial Park Cemetery, Inc., PetroEnergy Corporation, Hi-Eisai Pharmaceutical, Inc., Alphaland Corporation, Alphaland Balesin Island Club, Inc., The City Club at Alphaland Makati Palace, Inc.; **Director, President and CEO** of ATYC, Inc., RCBC Realty Corporation, Tarlac Terra Ventures, Inc. and San Lorenzo Ruiz Investment Holdings and Services, Inc., HI Cars, Inc., and Landev Corporation. He holds the **Vice Chairmanship** of the Pan Malayan Management and Investment Corporation (PMMIC), and TOYM Foundation. **His past experiences include:** President and CEO of Rizal Commercial Banking Corporation. Prior to that, he also served as the President and CEO of Sun Life of Canada (Philippines), Inc., the Philippine National Bank, and the United Coconut Planters Bank; Managing Director of Primeiro Partners, Inc.; Chairman of Asian Bankers Association; President of Bankers Association of the Philippines (BAP). As BAP president, he led the Association in representing the BAP in the ASEAN Bankers Association (ABA), composed of the national banking associations from the 10-member countries in the Association of Southeast Asian Nations (ASEAN). He was also Member of the Board of Trustees at De La Salle Zobel **Educational Background:** Certified Public Accountant in Pennsylvania, USA and in the Philippines. Mr. Tan graduated from De La Salle University with a Bachelor of Science degree in Accounting and Commerce, and holds a Master in Management degree from the J.L. Kellogg Graduate School of Management, Northwestern University.

YVONNE S. YUCHENGCO, 72, Filipino, is a **Director** from 1999-2006, 2008 to present. She is also the **Chairman and President** of Philippine Integrated Advertising Agency, Inc., Y Tower II Office Condominium Corp., Yuchengco Tower Office Condominium Corp., and XYZ Assets Corporation; **Chairman** of RCBC Capital Corporation and Y Realty Corporation; **Vice Chairperson** of National Reinsurance Corp. of the Philippines and Malayan Insurance Co., Inc.; **Director, Treasurer and CFO** of Pan Malayan Management & Investment Corp.; **Director and President** of Alto Pacific Corporation, MICO Equities, Inc. and RCBC Land, Inc.; **Director and Treasurer** of Water Dragon, Inc., HI Cars, Inc., Malayan High School of Science, Inc., Mona Lisa Development Corp., Petro Energy Resources Corp., Mayahin Holdings Corporation and Pan Malayan Realty Corp.; **Director and Vice-President** of AY Holdings, Inc.; **Trustee and Chairperson** of The Malayan Plaza Condominium Owners and Yuchengco Museum, Inc.; **Director** of Annabelle Y. Holdings & Management Corporation, A.T. Yuchengco, Inc., Enrique T. Yuchengco, Inc., DS Realty, Inc., GPL Holdings, Inc., HYDee Management & Resource

Corp., iPeople Inc., La Funeraria Paz-Sucat, Inc., Luisita Industrial Park Corp., Malayan International Insurance Corp., Manila Memorial Park Cemetery, Inc., MPC Investment Corporation, Pan Malayan Express, Inc., Shayamala Corporation, YGC Corporate Services, Inc.; **Trustee** of Avignon Tower Condominium Corporation, Phil-Asia Assistance Foundation, Inc., Malayan Education System, Inc. (Operating Under the Name of Mapua University), AY Foundation, Inc. and Yuchengco Center, Inc.; **Advisory Member** of Rizal Commercial Banking Corporation, **Trustee, Chairman and President** of Yuchengco Museum, Inc. **Educational Background:** Bachelor of Arts in Interdisciplinary Studies from Ateneo De Manila University, Philippines.

GREGORIO T. YU, 67, Filipino, was appointed to the Board in August 2024. He is a Philippine businessperson who has been at the head of various companies. Currently, Mr. Yu is **Chairman** of Nexus Technologies Inc. and is a **Director** of the Philippine Bank of Communications Inc., Philippine Airlines Inc. and Inchape Philippines. He is also the **Lead Independent Director** of AIA Philippines Life and General Insurance Inc. He is also on the board of a number of other public and private companies. **Past experiences include:** **Chairman** of The CATS Group of Companies, **President and Chief Executive Officer** of Belle Corporation, the developer of the Tagaytay Highlands complex. He was also the **President** of Tagaytay Highlands International Golf Club; The Country Club at Tagaytay Highlands, and The Tagaytay Midlands Golf Club. Mr. Yu was also a **Trustee** of the Government Service Insurance System and Chairman of the Restructuring Committee of Philippine Airlines Inc.. He was **President and CEO** of Pacific Online Systems Inc., **Treasurer & Executive Director** at National Reinsurance Corporation of the Philippines; **Chairman and President** of Philequity Fund, Philequity PSE Index Fund, Philequity Peso Bond Fund, **Director** of Corporate Finance at Chase Manhattan Asia Limited (Hong Kong), **Vice President-Area Credit** at The Chase Manhattan Bank N.A. (Hong Kong), **Chairman** of Xavier School Educational & Trust Fund Inc and **Trustee** of Xavier School. **Educational Background:** Gregorio T. Yu received an undergraduate degree from De La Salle University and an MBA from The Wharton School of the University of Pennsylvania.

MEDEL T. NERA, 70, Filipino, is a **Director** from 2011 to present. He is also a **Director** of IPeople, Inc, National Reinsurance Corporation of the Philippines, Ionics, Inc, Ionics-EMS Inc., and Metro Retail Sales Group, Inc. His **past experiences include:** **President and CEO** of House of Investments, Inc., **President** of RCBC Realty Corp., **Director and Chairman** of the Risk Oversight Committee and **member** of the Audit Committee of Rizal Commercial Banking Corporation, and **Director** of EEI Corp and Holcim Philippines Inc. He was a former **partner** of SyCip Gorres Velayo and Co. and Ernst and Young Global. **Educational Background:** Master of Business Administration from the Stern School of Business, New York, New York, USA, Bachelor of Science in Commerce from Far Eastern University, Manila, Philippines, International Management Program, Manchester Business School, Manchester, United Kingdom, and the Pacific Rim Bankers Program at the University of Washington, Washington, USA. Mr. Nera is a Certified Public Accountant.

FRANCISCO H. LICUANAN III, 82, Filipino, is an **Independent Director** since 2006 to present. He is also **Chairman & CEO** of Battery Park Investment, Inc., and New Pacific Resources Management Inc.; **Chairman and President/CEO** of GeoEstate Development Corporation; **President & CEO** of Innovative Property Solutions, Inc. **Educational Background:** Master of Business Administration from Harvard Business School, USA; Bachelor of Arts in Economics (cum laude) from Ateneo De Manila University, Philippines.

JUAN B. SANTOS, 86, Filipino. He is a **Director** of Philippine Investment Management Corp., Marsman Drysdale Agri-business Holdings, Inc. (MDAHI); St. Luke's Medical Center; and Allamanda Management Corporation; Member of the Board of Advisors of East-West Seeds Co., Mitsubishi Motor Phil. Corporation; Consultant of Marsman-Drysdale Group of Companies. **His past experiences include:** **Chairman** of Social Security System; **Secretary** of Trade and Industry,

Philippines; **Chairman and CEO** of Nestle Philippines, Singapore and Thailand; **Director** of Philex Mining Corporation, Philippine Long Distance Telephone Company (PLDT), San Miguel Corporation; **Educational Background:** Advanced Management from International Institute of Management Development (IMD), Lausanne, Switzerland; Post-graduate studies on Foreign Trade from Thunderbird School of Global Management, Arizona, USA; and Bachelor of Science in Business Administration from Ateneo De Manila University, Philippines

ROBERTO F. DE OCAMPO, 80, Filipino, former Secretary of Finance, is an **Independent Director** from 2000 to present. He also serves as the Chairman of the Audit Committee. Dr. de Ocampo also serves as **Chairman Emeritus** of the Philippine Veterans Bank and Foundation for Economic Freedom (FEF); **Chairman of the Board of Advisors** of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub); **Member /Advisory Board Member** of a number of important global institutions including The Conference Board, the Trilateral Commission, the Emerging Markets Forum, and the Centennial Group. **His past experiences:** **President** of the Asian Institute of Management (AIM); **President** of Management Association of the Philippines (MAP); **Chairman and Chief Executive Officer** of the Development Bank of the Philippines during the presidency of Cory Aquino; **Chairman** of the Land Bank during the Ramos Administration; **Member** of the Board Governors of the World Bank, IMF, and ADB. He was awarded by Queen Elizabeth the Most Excellent Order of the British Empire (OBE), by France as a Chevalier (Knight) of the Legion d'Honneur, and by the Vatican as Knight of the Holy Sepulchre of Jerusalem. He is the recipient of many other awards including Philippine Legion of Honor, ADFIAP Man of the Year, Ten Outstanding Young Men Award, CEO Excel Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. **Educational Background:** Dr. de Ocampo graduated from De La Salle College and Ateneo de Manila University, received an MBA from the University of Michigan, holds a post-graduate diploma in Development Administration from the London School of Economics, and has four doctorate degrees (Honoris Causa) conferred by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters.

CARLOS G. DOMINGUEZ III, 80, Filipino, currently sits as **Independent Director** of House of Investments, Inc., Rizal Commercial Banking Corporation (RCBC), Petroenergy Resources Corporation, GT Capital Holdings, Inc., Sun Life Grepa Financial, Inc. He is also currently **President** of PFTC Redevelopment Corporation. **Past experiences include:** **Secretary**, Department of Finance (from July 1, 2026 to June 30, 2022); **Member**, Monetary Board, Bangko Sentral ng Pilipinas; **Governor** for the Philippines, Asian Development Bank and World Bank; **Alternate Governor** for the Philippines, International Monetary Fund; **Ex-Officio Chairman**, Land Bank of the Philippines, Philippine Deposit Insurance Corporation, and Social Security System; **President**, BPI Agricultural Development Bank; **Minister**, Ministry of Natural Resources; **Secretary**, Department of Agriculture; **Chairman and Chief Executive Officer**, Philippine Airlines; **Chief Executive Officer**, Retail Specialist Inc., Philippine Tobacco Flue-Curing and Redrying Corp., Philippine Associated Smelting and Refining Corp., and Halifax Capital Resources Inc.; **Director/Board Member**, RCBC Capital Corp., House of Investments, Shangri-la Plaza Corp., Northern Mindanao Power Corp., Roxas Holdings, and MERALCO. He has extensive private sector experience spanning agriculture and multiple industries (tobacco, energy, real estate, retail, hospitality, mining, and copper smelting). **Awards/Recognitions:** Order of Lakandula (Rank of Grand Cross/Bayani); Grand Cordon of the Order of the Rising Sun (Japan). **Educational Background:** A.B. Economics and MBA, Ateneo de Manila University; Executive Management Program, Stanford University Graduate School of Business.

GILBERT F. SANTA MARIA, 59, Filipino, was appointed a Director in May 2025. Mr. Santa Maria is also currently serving as **President, Chief Executive Officer, Member of the Board of Directors** of Metro Pacific Tollways Corporation; Independent Director of Chelsea Logistics Corporation, **Director** of Pioneer Adhesives Inc. **Member of the Board of Trustees** for the University of the Philippines Engineering R&D Foundation Inc., and **Alumni Advisory Board Member** of the Yale University School of Management. **Past experience include: President and COO** of Philippine Airlines, **Chief Operating Officer (COO)** of Ibox Global, Washington D.C., **Senior Adviser** of EEI Corporation, Pioneer Adhesives Inc., Scrubbed. Inc. in San Francisco, HydroMX in New York City. **Educational Background:** Mr. Santa Maria graduated from the University of the Philippines, Diliman with a Bachelor of Science degree in electrical Engineering, and holds a Masters in Public & Private Management from the Yale University School of Management.

JOHN MARK S. FRONDOSO, 51, Filipino, was elected as an **Independent Director** in December 2016. He is the **Chairman and President** of FSG Capital, Inc.; **President** of Star Two Holdings, Inc.; **Director** of FSG Technology Ventures, Inc. (Digipay); **Honorary Consul** of the Czech Republic in Cebu City, and **Director** of Philippine Deposit Insurance Corporation. **His Past experiences include: President** of FSG Technology Ventures, Inc. (Digipay)); **Director** of HC Consumer Finance Philippines, Inc. (Home Credit); **Trustee and Chairman** of the Investment Committee of the Philippine Public-School Teachers Association; **Philippine Chief Representative & Executive Director** of Morgan Stanley (Singapore) Holdings Pte Ltd.; **Associate Director** of Barclays Capital (Investment Banking Division of Barclays Bank PLC). **Educational Background:** Bachelor of Science in Industrial Management (University Honors) from Carnegie Mellon University, USA.

EXECUTIVE OFFICERS:

GEMA O. CHENG, 61, Filipino, is the **Executive Vice President – Chief Operating Officer, Chief Finance Officer and Treasurer**. She also holds the following positions within the group: **Executive Vice President – Chief Financial Officer** of iPeople, inc.; **Chairman and President** of Investment Managers, Inc.; **Director, Executive Vice President and Treasurer** of Landev Corporation; **Director and Chief Operating Officer** of San Lorenzo Ruiz Investment Holdings and Services, Inc, **Director, Chief Operating Officer and Chief Financial Officer** of ATYC, Inc., **Chief Financial Officer & Treasurer** of HI Cars, Inc. and Tarlac Terra Ventures, Inc. She also serves as **Director** of the following: Mapua Malayan Colleges Laguna, Inc., Mapua Malayan Colleges Mindanao, La Funeraria Paz-Sucat, Inc. Manila Memorial Park Cemetery, Inc., and Director & Member of the Executive Committee of RCBC Trust Corporation. **Educational Background:** Bachelor of Arts in Economics (Magna Cum Laude) from the University of the Philippines-Diliman, Philippines; Certificate of Special Studies in Administration and Management from Harvard University, USA.

ALEXANDER ANTHONY G. GALANG, 65, Filipino, is the **First Senior Vice President for Internal Audit** since 2022. He was **Senior Vice President** from 2009 to 2022 and **Vice President** of the company from 2004 to 2009. He is a Certified Public Accountant (CPA) having placed 12th in the 1981 licensure exams. He has a Global Certification as a Certified Fraud Examiner (CFE) and a Certification in Risk Management Assurance (CRMA). **Educational Background:** He completed the Professional Managers Program at the Ateneo Graduate School of Business, Makati, and Bachelor of Science in Commerce Major in Accounting (Cum Laude) from University of Sto. Tomas, Manila, Philippines.

FRANCISCO VICENTE O. HILARIO, 61 Filipino, is the **Senior Vice President** - Group Chief Information and Technology Officer. His **past experiences include: First Vice President** - IT Governance Head of Rizal Commercial Banking Corporation, **Chief Information Security Officer** and Head of Operational Risk of Rizal Commercial Banking Corporation. **Educational Background:** Bachelor of Science in

Physics from De La Salle University; Master in Business Management from Asian Institute of Management.

JOSELITO D. ESTRELLA, 61, Filipino, is the **Senior Vice President - Chief Information Officer**. *His past experiences include:* **Senior Vice President – Chief Information Officer** of iPeople inc., **President** of Pan Pacific Computer Center Inc., **Vice President for Sales & Marketing** of AGD Infotech Inc. *Educational Background:* Bachelor of Science in Commerce Major in Management from San Beda College; Master of Science in Information Technology from De La Salle University.

RUTH C. FRANCISCO, 62, Filipino, is the **Senior Vice President – Chief Risk Officer**. *Her past experiences include:* **Chief Finance Officer** of Malayan Education System, Inc. (Operating under the name of Mapúa University) (“Mapúa”); **Treasurer** for Malayan Colleges Foundation, Inc., Malayan Colleges Mindanao (A Mapua School), Inc., and MIT Retirement Fund, Inc. **Educational Background:** Certificate in Business Sustainability Management, University of Cambridge Institute for Sustainability Leadership, UK; Doctor of Business Administration, Colegio de San Juan de Letran; Master in Business Administration, Philippine Christian University; Bachelor of Science in Commerce, Major in Accounting (Magna Cum Laude), Manuel L. Quezon University. She is a Certified Public Accountant.

MARY ANNE R. NARVAEZ, 49, Filipino, was the **Senior Vice President** for Finance and **Deputy Chief Financial Officer** from August 2025 to January 2026. Her resignation took effect on January 9, 2026.

MA. ESPERANZA F. JOVEN, 55, Filipino, is the **First Vice President** for Finance. She was **Vice President** for Finance of the Company from 2014 to June 2021. She is also the **Chief Finance Officer & Treasurer** of San Lorenzo Investment Holdings and Services, Inc.; **Treasurer** of ATYC, Inc., HI-Eisai Pharmaceutical, Inc. and Blackhounds Security & Investigation Agency, Inc.; and a **Director** in Manila Memorial Park Cemetery, Inc., La Funeraria Paz-Sucac, Inc., Investment Managers, Inc. and Blackhounds Security and Investigation Agency, Inc. *Her past experiences include:* **Director** of San Lorenzo Ruiz Investment Holdings & Services, Inc. She also held the Series 7, 63, and 24 licenses with the Financial Industry Regulatory Authority (FINRA), The Nasdaq Stock Market, and in the 52 states and territories of the USA and was a Certified Securities Representative with the Philippine Stock Exchange. *Educational Background:* Master of Science in Computational Finance and Bachelor of Science in Applied Mathematics from De La Salle University-Manila.

MARIA ELISA E. DE LARA, 56, Filipino, is the **First Vice President** for Group Internal Audit since July 2021. She was **Vice President** of the company from January 2014 to June 2021. She joined the company in October 2010 and was appointed as **Assistant Vice President** for Group Internal Audit effective January 2011. She is a Certified Public Accountant and holds a Global Certification in Risk Management Assurance (CRMA). *Educational Background:* Bachelor of Science in Business Administration Major in Accounting (Magna Cum Laude) from the Philippine Women’s University, Manila.

MARIA TERESA T. BAUTISTA, 53, Filipino, is the **First Vice President - Controller** effective July 2024. She joined the group as **Assistant Vice President - Controller** in October 2011 and was Vice President – Controller from July 2017 to June 2024. She is also the **Controller** of Landev Corporation, ATYC Inc., Tarlac Terra Ventures, Inc. and San Lorenzo Ruiz Investment Holdings and Services, Inc.; **Chief Finance officer & Treasurer** of Investment Managers Inc., Xamdu Motors, Inc., and Hexagon Lounge, Inc.; **Treasurer** of Greyhounds Security and Investigation Agency Corp. and Secon Professional Security Training Academy, Inc. She is a Certified Public Accountant, holds a Global Certification for Internal Auditors (CIA) and has completed the Six Sigma Green Belt Program. *Educational*

Background: Bachelor of Science in Commerce, Major in Accounting, from St. Paul College, Philippines.

CHONA B. CACHO, 42, Filipino, is the **IT Audit Cluster Head/ Vice President for IT Audit** since July 2021. She was **Assistant Vice President for IT Audit** of the company from July 2019 to June 2021. She is a Certified Public Accountant (CPA) and holds Global Certification as a Certified Internal Auditor (CIA) and a Certified Information Systems Auditor (CISA). **Educational Background:** Bachelor of Science in Accountancy (Cum Laude) from Polytechnic University of the Philippines, Sta. Mesa, Manila.

SONIA P. VILLEGAS, 57, Filipino, is the **First Vice President** for HR and Admin. She was Vice President for HR and Admin of the Company from 2021 to June 2025. She is also a Director of Greyhounds Security and Investigation Agency. **Her past experiences include:** Director of Landev Corporation, Zambo Realty and Development Corp., and Zambo Carriers, Inc. **Educational Background:** Strategic Human Resources Management Certificate Program from Ateneo Center for Organization and Research Development and Bachelor of Arts in Economics from the University of the East, Manila.

LIWLIWA GRACE D. VALENCIA, 53, Filipino, is the **Vice President – HR Strategic.** **Her past experiences include:** Vice President for Compensation and Benefits Department at RCBC Savings Bank. **Educational Background:** Certificate in Teaching from the Philippine Normal University and Bachelor of Science in Nursing from the Perpetual Help College of Laguna.

LALAIN P. MONSERATE, 62, Filipino, is **Vice President - Legal and Compliance Officer.** She joined the Company in November 2016 as **Assistant Vice President – Legal and Compliance Officer.** She holds the following positions within the Group: **Data Privacy Officer** for the Company and RCBC Realty; **Corporate Secretary** of Greyhounds Security and Investigation Agency; **Compliance Officer** for Money Laundering/Combating Financing of Terrorism (ML/ CFT) for San Lorenzo Ruiz Investment Holdings and Services, Inc., RCBC Realty Corporation, ATYC, Inc. and Tarlac Terra Ventures, Inc. **Educational Background:** Bachelor of Laws and Bachelor of Arts in Political Science from the University of Nueva Caceres in Naga City.

GLENSON K. LIM, 47, Filipino, was the **Vice President** for Property from August 2023 to February 2026 and held the following positions within the group: **General Manager** for ATYC, Inc., **General Manager** of San Lorenzo Ruiz Investment Holdings and Services, Inc., and **Property Manager** of Tarlac Terra Ventures, Inc. His resignation took effect on February 28, 2026

CHARLES A. ROSARIO, 52, Filipino, is the **Vice President - IT Operations & Information Security Officer.** **His past experiences include:** Assistant Vice President for Control and Support Group of Ancar Motors, Inc., **Information Security Officer** of Planters Development Bank, **Manager and Head for IT Security Department** at Philippine National Bank, **Information Systems Auditor** of East West Banking Corporation. **Educational Background:** Bachelor of Science in Computer Science in Emilio Aguinaldo College.

GERARD G. MAGADIA, 54, Filipino, is the **Vice President & General Manager** for Procurement Shared Services. **His past experiences include:** Head of Supply Chain Management of Concepcion Carrier Airconditioning Company (CCAC), **Head Strategic Sourcing and Vendor Management** of Meralco. He is the **President** of the Philippine Institute for Supply Management (PISM) and is an honorary Certified Professional in Purchasing. **Educational Background:** Management Development Program Executive Education & Lifelong Learning from Asian Institute of Management (AIM), with MBA Units at Ateneo Graduate School of Business and Bachelor of Science in Chemistry from Pablo Borbon Memorial Institute of Technology (now Batangas State University).

SAMUEL V. TORRES, 60, Filipino, is the Corporate Secretary. His other present positions include: **General Counsel & Corporate Secretary** of Pan Malayan Management & Investment Corporation and **Corporate Secretary** of A. T. Yuchengco, Inc., A Y Foundation, Inc., A.Y. Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafront Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., iPeople, inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc. (Operating as Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc A Mapua School operating under the name of Mapua Malayan Colleges Laguna(Formerly: Malayan Colleges Laguna, Inc, A Mapua School), Linc Institute, Inc., University of Nueva Caceres, Inc., National Teachers College, GPL Holdings, Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., La Funeraria Paz Sucat, Inc., Landev Corp., Pan Malayan Express, Inc., Pan Malayan Realty Corp., Philippine Advertising Agency, Inc., First Nationwide Assurance Corp., Malayan Insurance Co., Inc., MICO Equities, Inc., Tokio Marine Malayan Insurance Corp., RCBC Trust Corporation, Tarlac Terra Ventures, Inc., and ATYC, Inc. **Educational Background:** Bachelor of Laws, Ateneo De Manila University School of Law; Bachelor of Science in Business Economics, University of the Philippines.

MA. ELVIRA BERNADETTE G. GONZALEZ, 48, Filipino, is the **Assistant Corporate Secretary**. She is also the **Assistant General Counsel** of Pan Malayan Management & Investment Corp. and Corporate Secretary of Blackhounds Security and Investigation Agency, Inc., and the Assistant Corporate Secretary of iPeople, inc., Malayan Colleges Mindanao (A Mapua School), Inc., National Teachers College, University of Nueva Caceres, Linc, Institute, Inc., Yuchengco Tower Office Condominium Corp., Y Tower II Office Condominium Corp., and GPL Holdings, Inc. **Educational Background:** Juris Doctor, Ateneo De Manila University School of Law; Bachelor of Arts in Political Science, Ateneo De Manila University.

RESIGNATION OF DIRECTORS

To date, no director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

ELECTION OF DIRECTORS

The Directors of House of Investments are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting or until their respective successors have been elected and qualified.

APPOINTMENT AND RESIGNATION OF OFFICERS

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

SIGNIFICANT EMPLOYEE

There is no person who is not an executive officer that is expected by the issuer to make a significant contribution to the business.

FAMILY RELATIONS

Mrs. Helen Y. Dee and Ms. Yvonne S. Yuchengco are siblings. Mr. John Mark S. Frondoso is the nephew of Ms. Helen Y. Dee and Ms. Yvonne S. Yuchengco by virtue of his mother being their second cousin on the maternal side.

Other than what is disclosed above, there are no other family relationships known to the registrant.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

The Company is not aware of the following events during the past 5 years up to March 31, 2026:

- a. any bankruptcy petition filed by or against any business of which any of its director or executive officers was a general partner or executive officer either at the time of bankruptcy or within two (2) years prior to that time.
- b. any conviction by final judgment of any director or senior executive in a criminal proceeding domestic or foreign or being subject to a pending criminal proceeding domestic or foreign, of any director, executive officer or person nominated to be a director
- c. any director or senior executive being subject to any order, judgment or decree not subsequently reversed suspended or vacated of any court of competent jurisdiction, domestic or foreign permanently or temporarily enjoining barring, suspending or otherwise limiting such directors' or executive officer's involvement in any type of business securities, commodities or banking activities
- d. any executive officer or director found by a domestic or foreign court of competent jurisdiction, the Commission or other foreign body or a domestic or foreign Exchange or other organized trading market or self-regulatory organization to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10 – EXECUTIVE COMPENSATION

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and other officers follows:

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
The top 5 executives of the Company are as follows: 1. Lorenzo V. Tan, President & CEO 2. Gema O. Cheng, EVP - Chief Operating Officer, Chief Financial Officer & Treasurer 3. Alexander Anthony G. Galang, FSVP - Internal Audit 4. Ruth C. Francisco, SVP - Chief Risk Officer 5. Mary Anne R. Narvaez, SVP – Deputy CFO	2026	P65.6 M (est)	P0	P0
	2025	P57.5 M	P0	P0
	2024	P44.0 M	P0	P0
All other officers and directors as group unnamed.	2026	P143.5 M (est)	P0	P1.9M (est)
	2025	P126.6 M	P0	P1.9M
	2024	P88.0 M	P0	P1.9M
TOTALS	2026	P209.1 M (est)	P0	P1.9M (est)

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
	2025	P184.1 M	P0	P1.9M
	2024	P132.0 M	P0	P1.9M

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, other than those stated on the above table during the Company's last completed fiscal year, and the ensuing year, for any service provided as an executive officer or member of the Board of Directors.

Directors are paid a per diem of P35,000 for attendance in a Board meeting. Board meetings are scheduled every quarter in a year. A director is also paid a per diem of P20,000 for participation in the different committee meetings.

There is no director, executive officers, nominee for director, beneficial holder and family members involved in any business transaction of the Company.

Item 11 – Security Ownership of Certain Beneficial Owners and Management

Owners of more than 5% of voting securities as of March 31, 2026.

The following table shows the beneficial owners directly or indirectly owning more than 5% of the Company's capital stock as of March 31, 2026:

COMMON STOCK

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	PAN MALAYAN MANAGEMENT & INVESTMENT CORPORATION 48/F, Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>Chairperson</i> is authorized to direct voting of the shares held by Pan Malayan Management & Investment Corporation	Filipino	842,270,070*	57.32%
Common	GPL Holdings, Inc. 4/F Grepalife Building, 221 Senator Gil J. Puyat Avenue., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>President</i> is authorized to direct voting of the shares held by GPL Holdings, Inc.	Filipino	340,803,508*	23.19%
Common	RCBC Securities, Inc. 7/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City	Mr. Raoul V. Santos <i>President</i>	Filipino	264,743,763**	18.02%

* Represents direct and indirect ownership.

** Includes indirect ownership of Pan Malayan Management & Investment Corporation and GPL Holdings, Inc.

There are no arrangements that may result in change in control.

SECURITY OWNERSHIP OF MANAGEMENT

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of March 31, 2026 according to the records of its stock and transfer agent, Rizal Commercial Banking Corporation (RCBC):

COMMON STOCK

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Ms. Helen Y. Dee	Filipino	Direct	1,125,345	0.0766%
		Indirect	871,780	0.0593%
Mr. John Mark S. Frondoso	Filipino	Direct	5	0.0000%
Mr. Francisco H. Licuanan III	Filipino	Direct	500	0.0000%
Mr. Carlos G. Dominguez	Filipino	Direct	5	0.0000%
Mr. Medel T. Nera	Filipino	Direct	5	0.0000%
Dr. Roberto F. de Ocampo	Filipino	Direct	5	0.0000%
Mr. Gregorio T. Yu	Filipino	Direct	5	0.0000%
Mr. Juan B. Santos	Filipino	Direct	5	0.0000%
Mr. Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Mr. Gabriel F. Santa Maria	Filipino	Direct	5	0.0000%
Ms. Yvonne S Yuchengco	Filipino	Direct	45	0.0000%
		Indirect	147,210	0.0100%
Sub-Total			2,144,920	0.1460%
Total Common Shares			1,469,302,230	100%

Item 12 – Certain Relationships and Related Transactions

There is no director, executive officer, nominee for director, beneficial holder, or any family member involved in any business transaction with HI and subsidiaries.

There are no material transactions which were negotiated by the Company with parties whose relationship with the Company fall outside the definition of “related parties” under Philippine Accounting Standards 24, Related Party Disclosures, but with whom the Company has relationship that enables such parties to negotiate terms that may not be available from other, more clearly independent parties on an arm’s length basis.

Please refer to Note 29 to the consolidated financial statements for the details of related party transactions. As discussed in the notes, in the normal conduct of business, other transactions with certain affiliates include sharing in general and administrative expenses and cash advances.

PART IV – CORPORATE GOVERNANCE

Item 13 – Corporate Governance

1. Evaluation System to Measure Compliance with the Manual on Corporate Governance

The Company has consistently monitored its compliance with the Securities and Exchange Commission's (SEC's) Memorandum Circulars and issuances as well as all relevant Philippine Stock Exchange's (PSE's) Circulars and issuances on Corporate Governance. The Company continues to comply with the best practices and leading principles on good corporate governance including but not limited to appropriate self-rating assessments and performance evaluation to determine and measure its compliance with the Code and Company's Manual on Corporate Governance.

The Company has submitted its Integrated Annual Corporate Governance Report (IACGR) for the period covering the years 2018 up to 2024. For the period covering the year 2025, the Company will submit its IACGR on or before May 30, 2026. The Company has been complying with the requirements of the ASEAN Corporate Governance Scorecard (ACGS) and has been consistently receiving a Golden Arrow from the Institute of Corporate Directors (ICD).

2. Measures Undertaken to Fully Comply with Leading Practices on Corporate Governance

In its 2018 to 2025 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with majority of the recommendations specified in the said Report.

3. Deviation from the Manual on Corporate Governance

In its 2018 to 2025 Integrated Annual Corporate Governance Reports (IACGRs), the Company did not deviate from any recommendation in the Manual on Corporate Governance.

4. Plans to Improve Corporate Governance

In order to improve the performance of the Chairperson, Board of Directors and officers, the Company has required them to submit an Annual Self-Assessment Questionnaire which is composed of varying questions regarding their roles, functions and responsibilities under the Manual on Corporate Governance and the Board Charter. The Company, in 2021, has engaged an external/third-party evaluator, the Good Governance Advocates and Practitioners of the Philippines (GGAPP), to assess the performance of the Chairperson, the Board and the Chief Risk Officer, the Chief Audit Executive and the Compliance Officer. This year, the Company plans to, again, engage the services of GGAPP to conduct its evaluation. The Chairperson, Board of Directors and officers, under the Policy on Related Party Transactions, are also required complete, annually, the Related Party Questionnaire in order to elicit information about any potential or actual related party transactions entered by the Company with them, if any, during the year. In addition, the Company also required them to submit annually an updated Biographical Data containing their personal information, work experience, family relations, and other personal details, to determine, among others, their relatives within the third-degree of consanguinity and their related party transactions with the Company, if any, during the year. The Committee on Corporate Governance, Nominations and Related Party Transactions has been monitoring their submissions.

In order to enhance and align its business objectives with responsible values and purposes and to ensure transparency and accountability, the Company has updated its website by incorporating sustainability/ESG/Risk Management in its core strategy. It also implemented and updated policies

on Anti-Bribery and Anti-Corruption, Nomination, among others. It also disclosed the qualifications of its directors including their performance and board attendance.

The Company continuously requires its Chairperson, Directors, including newly appointed directors, and Officers to attend seminar/webinars on Corporate Governance conducted by its in-house training provider, accredited providers of the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), Anti-Money Laundering Council (AMLC), Data Privacy Commission and others.

PART V – EXHIBITS AND SCHEDULES

Item 14 - Exhibits and Reports on SEC Form 17-C

SUMMARY OF SEC FORM 17-C

April 14, 2025

- Approval of the Company's 2024 Sustainability Report.
- Approval of the Company's 2024 Integrated Annual Corporate Governance Report (I-ACGR).
- Approval of the Revised Policy on Related Party Transaction.
- Approval of the Charter of the Board of Directors.
- Approval of the date of the Annual Stockholders' Meeting.
- All items in the agenda that need Board Approval were confirmed and ratified.

April 21, 2025

- Disclosure on the passing of Gil A. Buenaventura

April 24, 2025

- Disclosure of Revised Related Party Transactions Policy that was approved on April 14, 2025

May 30, 2025

- Confirmation of the Approval of the Audit Committee of the 1st Quarter Financial Statements filed with the SEC
- Election of Mr. Gilbert F. Santa Maria as a Director vice Mr. Gil A. Buenaventura

August 8, 2025 (Regular BOD)

- Confirmation of the approval of the Audit Committee of the Q2 2025 Consolidated Financial Statements of House of Investments, Inc. to be filed with the SEC.
- Declaration of regular cash dividend of PhP0.18 per share. The record date is August 27, 2025 and payment date is on September 4, 2025.
- Approval of the Joint Venture between House of Investments, Inc. and Aboitiz InfraCapital, Inc. through HI's subsidiary, Tarlac Terra Ventures, Inc.
 - a. Approval of the subscription to an additional Seven Thousand (7,000) common shares of stock of TTVI
 - b. Approval regarding the execution of the Definitive Agreements including, but not limited to, the Shareholders' Agreement between the Company and Lima Land, Inc. (LLI). LLI is a wholly-owned subsidiary of AIC and an affiliate of Aboitiz Equity Ventures, Inc., and related agreements including the engagement by TTVI of LLI as service provider for TTVI's 184-hectare development
- Promotions and Appointment of Officers

August 8, 2025 (Organizational Meeting)

- Disclosed the results of its organizational meeting, covering the appointment of company officers and the creation of committees plus appointment of their chairmen and members. An amended version was later filed

August 8, 2025 (Annual Stockholders' Meeting)

- Election of the Directors
- Approval of the Minutes of the Annual Stockholders' Meeting held on August 9, 2024
- Approval of the Management Report of the Audited Financial Statements for 2024
- Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company from August 9, 2024 until August 8, 2025, which includes, among others, those that involve the day-to-day operations, administrations and management of the corporate affairs.
- Re-appointment of SGV as External Auditors

August 14, 2025

- Disclosure regarding appointment of new officer and promotions of officers, namely:
 1. Appointment of Mary Anne Narvaez as SVP and Deputy Chief Financial Officer
 2. Promotion of the following:
 - a. Sonia P. Villegas from VP to FVP
 - b. Aileen Kate Papas from AVP to VP
 - c. Robert Joseph G. Villa from AVP to VP
 - d. Liwliwa Grace Valencia from AVP to VP

August 18, 2025

- Disclosure regarding appointment of John Paul Caquilala as VP seconded to iPeople, Inc. as IT-Head

September 1, 2025

- Disclosure regarding appointment of Narciso A. Laput as VP, System Development/Infrastructure Head

October 1, 2025

- Disclosure regarding appointment of Francis Vicente O. Hilario as SVP-Group Chief Information and Technology Officer

November 28, 2025

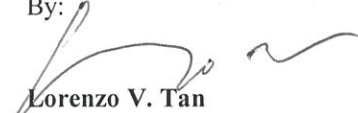
- Confirmation of the Approval of the Audit Committee of the 3rd Quarter Financial Statements filed with the SEC
- Confirmation of the following Officers:
 - a. Juan F. Alfonso - EVP, Business Development and Strategy
 - b. Francisco Vicente O. Hilario - Senior Vice President, Group Chief Information and Technology Officer
 - c. John Paul Echano Caquilala - Vice President, IT Head seconded to iPeople

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and the Revised Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly authorized, in the City of Makati on _____, 2026.

IN WITNESS WHEREOF, we have hereunto affixed our signatures and the seal of the Corporation this _____, 2026 at Makati City.

By:


Lorenzo V. Tan
 President & CEO

Gema O. Cheng
 EVP- COO, CFO & Treasurer

Maria Teresa T. Bautista
 FVP –Controller

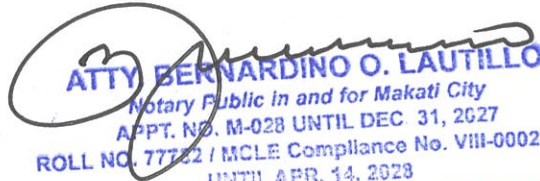
Atty. Samuel V. Torres
 Corporate Secretary

10 4 MAY 2026 **MAKATI CITY**

SUBSCRIBED AND SWORN to before me this ____ day of ____ 2026, at ____.
 Affiant exhibited to me their Residence Certificate Numbers indicated below each name.

Names	Document No.	Date & Place of Issue/Expiration
Lorenzo V. Tan	P9150965B	03-10-2022 Manila / 03-09-2032
Gema O. Cheng	DL#N06-84-036923	12-08-2022 Mandaluyong / 12-08-2032
Maria Teresa T. Bautista	DL#06-92-094899	11-23-2012 Makati / 11-23-2032
Atty. Samuel V. Torres	P2022842C	10-14-2022 Manila / 10-13-2032

Doc. No. 69
 Page No. 15
 Book No. 26
 Series of 2026.


ATTY. BERNARDINO O. LAUTILLO
 Notary Public in and for Makati City
 APPT. NO. M-028 UNTIL DEC. 31, 2027
 ROLL NO. 77722 / MCLE Compliance No. VIII-0002331
 UNTIL APR. 14, 2028
 IBP OR. NO. 582933 JAN. 2, 2026 / MAKATI CHAPTER
 PTR NO. 10765532 – JAN. 5, 2026
 UNIT 2-B2 TRANS-PHIL HOUSE, 1177 DON CHINO ROCES AVE., COR.
 BAGTIKAN ST., SAN ANTONIO, MAKATI

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Auditor's Report

Consolidated Statements of Financial Position as at December 31, 2025 and 2024

Consolidated Statements of Income for the years ended
December 31, 2025, 2024 and 2023

Consolidated Statements of Comprehensive Income for the years ended
December 31, 2025, 2024 and 2023

Consolidated Statements of Changes in Equity for the years ended
December 31, 2025, 2024 and 2023

Consolidated Statements of Cash Flows for the years ended
December 31, 2025, 2024 and 2023

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditor's on Supplementary Schedules

- I. Schedules Required under Revised SRC Rule 68
 - A. Financial Assets
 - B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable from / Payables to Related Parties which are Eliminated during the Consolidation of Financial Statements
 - D. Intangible Assets - Other Assets
 - E. Long-term Debt
 - F. Indebtedness to Related Parties
 - G. Guarantees of Securities of Other Issuers
 - H. Capital Stock
- II. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration
- III. Schedule of Financial Soundness Indicators
- IV. Map of the relationships of the Companies within the Group

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of House of Investments, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip, Gorres, Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


HELEN V. DEE
Chairman of the Board

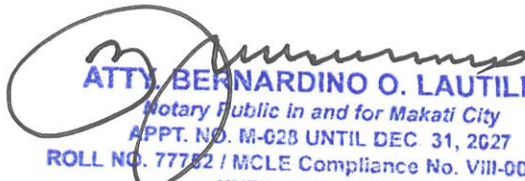

LORENZO V. TAN
President and Chief Executive Officer


GEMA O. CHENG
EVP - COO/Chief Financial Officer & Treasurer

SUBSCRIBED AND SWORN BEFORE ME
THIS 04 MAY 2026 AT MAKATI CITY
AFFIRANT EXHIBITED TO ME HIS / HER.

Signed this 13th day of April 2026

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Book No. 24
Series of 2026


ATTY. BERNARDINO O. LAUTILLO
Notary Public in and for Makati City
APPT. NO. M-028 UNTIL DEC. 31, 2027
ROLL NO. 77782 / MCLE Compliance No. VIII-0002331
UNTIL APR. 14, 2028
IBP OR. NO. 583906 JAN. 2, 2026 / MAKATI CHAPTER
PTR NO. 1676502 - JAN. 5, 2005
UNIT 2-B2 TRANS-PIRL HOUSE, 1177 DON CHINO ROCES AVE., COR.
BAGTIKAN ST., SAN ANTONIO, MAKATI

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
House of Investments, Inc.
9th Floor, Grepalife Building
221 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila

Opinion

We have audited the consolidated financial statements of House of Investments, Inc. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Estimation of Insurance Contract Liabilities

The Group's insurance contract liabilities represent a significant portion of its total liabilities. As required by PFRS 4, *Insurance Contracts* and in accordance with the provisions of the local standards, insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for insurance contracts is calculated on the basis of prospective actuarial valuation method where the assumptions used depend on the circumstances prevailing at the inception of the contract.

While there is considerable judgment applied by management and inherent uncertainty in selecting assumptions, the assumptions with the greatest estimation uncertainty are those related to past and future internal and external variables with respect to underlying assumptions that may have a significant impact on the measurements of these liabilities. These assumptions required significant auditor attention particularly for (i) circumstances where there is limited company and industry experience data and (ii) circumstances where the historical experience may not be a good indicator of the future. Auditing certain valuation models and significant assumptions required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve actuarial and fair value specialists.

Audit Response

We obtained understanding of the Group's process to estimate the insurance contract liabilities and tested relevant controls.

On sampling basis, we tested the accuracy of policy data by vouching the details in the computation of reserves to the policy. We reviewed the tie-up of samples selected to the respective plan code group it belongs. With the assistance of our internal specialist, we evaluated the methodologies used by the Group in determining the insurance contract liabilities and assessed whether the methodologies are generally accepted actuarial projection techniques and we tested the reasonableness of the assumptions used by independently calculating an estimate of the insurance contract liability and comparing the results to the Group's estimate.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025, but does not include the consolidated financial statements and our auditor's report thereon. -The SEC Form 20-IS (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is
Glenda C. Anisco-Niño.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

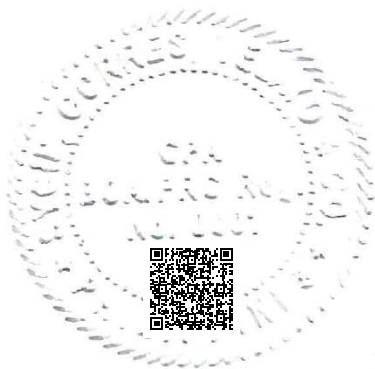
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	₱7,892,968,769	₱8,293,005,389
Receivables (Note 9)	10,476,842,735	11,262,666,490
Segregated fund assets (Note 11)	49,029,028,334	42,142,462,815
Reinsurance assets (Note 12)	11,354,431,818	18,355,961,194
Inventories (Note 13)	458,332,319	398,314,089
Loans receivable (Note 14)	2,538,743,453	2,059,584,359
Receivables from related parties (Note 29)	4,594,942	4,534,187
Prepaid expenses and other current assets (Note 15)	1,023,003,262	1,068,902,272
Total Current Assets	82,777,945,632	83,585,430,795
Noncurrent Assets		
Financial assets at fair value through profit or loss (FVTPL) (Note 16)	10,317,194,692	7,903,390,740
Equity investments at fair value through other comprehensive income (FVOCI) (Note 16)	26,990,433,313	25,550,142,935
Investment securities at amortized cost (Note 16)	5,282,084,420	4,379,302,139
Investments in associates and joint ventures (Note 18)	5,157,536,653	4,874,309,874
Property and equipment (Note 20)		
At revalued amount	16,051,401,089	15,015,152,509
At cost	11,003,008,848	9,037,246,462
Investment properties (Note 19)	12,294,404,802	12,395,384,044
Deferred tax assets - net (Note 37)	1,201,402,351	1,027,522,831
Right-of-use assets (Note 22)	731,662,759	610,840,289
Goodwill (Note 23)	176,176,264	176,176,264
Retirement assets (Note 36)	126,011,710	147,337,007
Deferred acquisition costs (Note 21)	500,932,659	527,720,153
Other noncurrent assets (Note 24)	2,970,265,946	2,413,987,080
Total Noncurrent Assets	92,802,515,506	84,058,512,327
Total Assets	₱175,580,461,138	₱167,643,943,122

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other current liabilities (Note 25)	₱8,061,036,339	₱9,883,117,824
Loans payable (Note 26)	10,398,665,000	5,635,000,000
Segregated fund liabilities (Note 11)	49,029,028,334	42,142,462,815
Current portion of long-term debt (Note 27)	32,573,600	32,573,600
Current portion of contract liabilities (Note 10)	1,469,268,526	1,464,893,638
Insurance contract liabilities - current portion (Note 28)	26,060,567,140	31,956,515,864
Current portion of lease liabilities (Note 22)	150,345,529	167,708,899
Income tax payable	236,197,636	139,014,263
Due to related parties (Note 29)	153,973,334	148,011,591
Total Current Liabilities	95,591,655,438	91,569,298,494

(Forward)



	December 31	
	2025	2024
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 27)	₱228,704,200	₱2,682,729,050
Contract liabilities - net of current portion (Note 10)	160,886,163	112,250,951
Insurance contract liabilities - net of current portion (Note 28)	17,907,523,571	15,747,336,991
Lease liabilities - net of current portion (Note 22)	690,346,777	562,687,392
Deferred tax liabilities - net (Note 37)	2,212,539,684	2,101,968,409
Retirement liabilities (Note 36)	807,377,239	847,990,521
Deferred reinsurance commissions (Note 21)	241,302,345	245,799,378
Other noncurrent liabilities (Note 19)	149,465,625	899,972,615
Total Noncurrent Liabilities	22,398,145,604	23,200,735,307
Total Liabilities	117,989,801,042	114,770,033,801
Equity		
Attributable to equity holders of the Parent Company		
Common stock (Note 39)	2,201,795,746	2,201,795,746
Additional paid-in capital	14,808,241,606	14,808,241,606
Equity reserve on acquisition of non-controlling interest (Note 6)	(806,224,306)	(806,224,306)
Revaluation increment on land - net (Note 20)	4,251,766,552	3,779,148,385
Cumulative translation adjustments	52,070,669	47,177,851
Fair value reserve of equity investments at FVOCI (Note 16)	74,098,492	(352,644,065)
Remeasurement loss on retirement obligation (Note 36)	(88,078,445)	(59,802,377)
Remeasurement on legal policy reserves	34,071,172	(13,652,322)
Retained earnings (Note 40)		
Unappropriated	13,719,852,267	11,813,200,762
Appropriated	1,700,000,000	1,700,000,000
	35,947,593,753	33,117,241,280
Non-controlling interests (Note 40)	21,643,066,343	19,756,668,041
Total Equity	57,590,660,096	52,873,909,321
Total Liabilities and Equity	₱175,580,461,138	₱167,643,943,122

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE (Note 30)	₱43,674,030,151	₱38,872,565,610	₱11,094,211,630
COSTS OF SALES AND SERVICES (Notes 13 and 31)	33,996,324,182	30,375,112,422	8,067,570,593
GROSS PROFIT	9,677,705,969	8,497,453,188	3,026,641,037
GENERAL AND ADMINISTRATIVE EXPENSES (Note 33)	(5,388,976,074)	(4,859,528,228)	(1,680,825,829)
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 18)	331,509,408	81,479,896	116,716,080
INTEREST AND FINANCE CHARGES (Notes 26, 27, 22 and 35)	(578,203,816)	(630,532,352)	(525,779,116)
OTHER INCOME - net (Note 32)	476,865,485	196,898,406	243,482,184
INCOME BEFORE INCOME TAX	4,518,900,972	3,285,770,910	1,180,234,356
PROVISION FOR INCOME TAX (Note 37)	840,317,977	607,080,589	138,322,300
NET INCOME FROM CONTINUING OPERATIONS	3,678,582,995	2,678,690,321	1,041,912,056
NET LOSS FROM DECONSOLIDATED OPERATIONS (Notes 6 and 7)	–	–	(426,307,138)
NET INCOME	₱3,678,582,995	₱2,678,690,321	₱615,604,918
Net income attributable to:			
Equity holders of the Parent Company	₱2,142,208,747	₱1,375,145,646	₱440,794,487
Non-controlling interests	1,536,374,248	1,303,544,675	174,810,431
	₱3,678,582,995	₱2,678,690,321	₱615,604,918
EARNINGS PER SHARE (Note 38)			
Basic/diluted earnings per share attributable to Equity holders of the Parent Company	1.4580	₱0.9371	₱0.3000

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
NET INCOME	₱3,678,582,995	₱2,678,690,321	₱615,604,918
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments	6,327,193	15,744,598	(3,276,506)
Share in other comprehensive gain (loss) of an associate (Note 18)	(1,788,187)	5,204,573	(36,052,847)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation increment on land (Note 20)	968,977,247	1,101,121,690	2,264,799,251
Changes in fair value of equity investments carried at FVOCI (Note 16)	1,005,569,942	(424,705,830)	(16,781,845)
Remeasurement loss on net retirement (Note 36)	(75,745,959)	(85,850,216)	(43,989,856)
Remeasurement on legal policy reserves	110,088,798	(26,769,259)	–
Income tax effect	(148,412,322)	(114,881,358)	(249,065,654)
	1,865,016,712	469,864,198	1,915,632,543
TOTAL COMPREHENSIVE INCOME	₱5,543,599,707	₱3,148,554,519	₱2,531,237,461
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱3,111,921,875	₱1,460,404,548	₱1,384,307,155
Non-controlling interests	2,431,677,832	1,688,149,971	1,146,930,306
	₱5,543,599,707	₱3,148,554,519	₱2,531,237,461

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

	Attributable to Equity Holders of the Parent Company											Non-controlling interests (Note 39)	Total
	Capital stock (Note 39)	Additional paid-in capital	Equity reserve on acquisition of non-controlling interest	Revaluation increment on land - net (Note 20)	Cumulative translation adjustments (Notes 18)	Fair Value reserve of equity investments at FVOCI (Note 16)	Remeasurement on legal policy reserves	Remeasurement loss on retirement (Note 36)	Unappropriated Retained Earnings (Note 40)	Appropriated Retained Earnings (Note 40)	Subtotal		
As at January 1, 2025	P2,201,795,746	P14,808,241,606	(P806,224,306)	P3,779,148,385	P47,177,851	(P352,644,065)	(P13,652,322)	(P59,802,377)	P11,813,200,762	P1,700,000,000	P33,117,241,280	P19,756,668,041	P52,873,909,321
Net income	-	-	-	-	-	-	-	-	2,142,208,747	-	2,142,208,747	1,536,374,248	3,678,582,995
Other comprehensive income	-	-	-	472,618,167	4,892,818	483,224,127	47,723,494	(38,745,478)	-	-	969,713,128	895,303,584	1,865,016,712
Total comprehensive income	-	-	-	472,618,167	4,892,818	483,224,127	47,723,494	(38,745,478)	2,142,208,747	-	3,111,921,875	2,431,677,832	5,543,599,707
Reclassification of remeasurement on retirement liabilities to retained earnings	-	-	-	-	-	-	-	10,469,410	(10,469,410)	-	-	-	-
Sale of FVOCI adjustments	-	-	-	-	-	(56,481,570)	-	-	56,481,570	-	-	-	-
Dividend declaration (Note 40)	-	-	-	-	-	-	-	-	(264,474,402)	-	(264,474,402)	(545,279,530)	(809,753,932)
Declaration of dividend by subsidiary	-	-	-	-	-	-	-	-	(17,095,000)	-	(17,095,000)	-	(17,095,000)
As at December 31, 2025	P2,201,795,746	P14,808,241,606	(P806,224,306)	P4,251,766,552	P52,070,669	P74,098,492	P34,071,172	(P88,078,445)	P13,719,852,267	P1,700,000,000	P35,947,593,753	P21,643,066,343	P57,590,660,096
As at January 1, 2024	P2,201,795,746	P14,808,241,606	(P868,077,102)	P3,289,823,486	P46,376,718	(P47,667,218)	P-	(P18,380,972)	P7,390,657,134	P5,200,000,000	P32,002,769,398	P18,211,850,514	P50,214,619,912
Net income	-	-	-	-	-	-	-	-	1,375,145,646	-	1,375,145,646	1,303,544,675	2,678,690,321
Other comprehensive income	-	-	-	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	-	-	85,258,902	384,605,296	469,864,198
Total comprehensive income	-	-	-	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	1,375,145,646	-	1,460,404,548	1,688,149,971	3,148,554,519
Acquisition of non-controlling interest	-	-	61,852,796	82,072,889	-	-	-	(593,241)	-	-	143,332,444	(143,332,444)	-
Reclassification of investment in associates to FVOCI	-	-	-	(75,107,935)	(13,057,311)	80,158,119	-	32,203,598	(24,196,471)	-	-	-	-
Sale of FVOCI adjustments	-	-	-	-	-	(60,859,563)	-	-	60,859,563	-	-	-	-
Dividend declaration (Note 40)	-	-	-	-	-	-	-	-	(73,465,110)	-	(73,465,110)	-	(73,465,110)
Declaration of dividend by subsidiary	-	-	-	-	-	-	-	-	(415,800,000)	-	(415,800,000)	-	(415,800,000)
Release of appropriation	-	-	-	-	-	-	-	-	3,500,000,000	(3,500,000,000)	-	-	-
As at December 31, 2024	P2,201,795,746	P14,808,241,606	(P806,224,306)	P3,779,148,385	P47,177,851	(P352,644,065)	(P13,652,322)	(P59,802,377)	P11,813,200,762	P1,700,000,000	P33,117,241,280	P19,756,668,041	P52,873,909,321
As at January 1, 2023	P1,162,540,326	P154,578,328	P1,932,007,449	P2,218,473,182	P352,101,517	P111,000,523	P-	(P14,062,367)	P4,944,402,862	P7,505,355,000	P18,366,396,820	P17,497,986,435	P35,864,383,255
Net income	-	-	-	-	-	-	-	-	440,794,487	-	440,794,487	174,810,431	615,604,918
Other comprehensive income	-	-	-	1,090,299,035	(3,276,506)	(96,260,600)	-	(47,249,261)	-	-	943,512,668	972,119,875	1,915,632,543
Total comprehensive income	-	-	-	1,090,299,035	(3,276,506)	(96,260,600)	-	(47,249,261)	440,794,487	-	1,384,307,155	1,146,930,306	2,531,237,461
Issuance of new shares	1,039,255,420	14,653,663,278	-	-	-	-	-	-	-	-	15,692,918,698	-	15,692,918,698
Acquisition of new subsidiary	-	-	(3,038,511,149)	-	-	-	-	-	-	-	(3,038,511,149)	8,521,039,293	5,482,528,144
Deconsolidation of subsidiary (Note 6)	-	-	238,426,598	(18,948,731)	(302,448,293)	(62,407,141)	-	42,930,656	3,244,283,049	(3,505,355,000)	(363,518,862)	(8,841,126,356)	(9,204,645,218)
Dividend declaration (Note 40)	-	-	-	-	-	-	-	-	(38,823,264)	-	(38,823,264)	-	(38,823,264)
Declaration of dividend by subsidiary	-	-	-	-	-	-	-	-	-	-	-	(112,979,164)	(112,979,164)
Appropriation of retained earnings	-	-	-	-	-	-	-	-	(1,200,000,000)	1,200,000,000	-	-	-
As at December 31, 2023	P2,201,795,746	P14,808,241,606	(P868,077,102)	P3,289,823,486	P46,376,718	(P47,667,218)	P-	(P18,380,972)	P7,390,657,134	P5,200,000,000	P32,002,769,398	P18,211,850,514	P50,214,619,912

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations	₱4,518,900,971	₱3,285,770,910	₱1,180,234,356
Loss before income tax from deconsolidated operations (Note 7)	–	–	(247,702,593)
Income before income tax	4,518,900,971	3,285,770,910	932,531,763
Adjustments for:			
Depreciation, amortization and impairment (Notes 33 and 34)	1,021,397,770	937,620,521	984,350,548
Interest and finance charges (Note 35)	578,203,816	630,532,352	740,275,851
Equity in net earnings of associates and joint venture (Note 18)	(331,509,408)	(81,479,896)	(116,716,080)
Write-off of property and equipment	194,517,474	–	–
Interest income (Note 32)	(193,219,989)	(183,645,419)	(139,048,319)
Market gain on financial asset at fair value through profit or loss (FVTPL)	(189,042,911)	(176,391,856)	–
Movements in net retirement liabilities	(125,568,378)	60,894,362	27,042,493
Unrealized foreign exchange loss (gain)	(109,519,759)	(131,095,843)	3,458,049
Gain on sale of property and equipment (Note 20)	(65,484,361)	(13,147,803)	(5,383,232)
Dividend income	(22,870,571)	(219,400,883)	(816,700)
Gain on sale of investment properties (Note 19)	(15,396,195)	(16,206,205)	–
Operating income before working capital changes	5,260,408,459	4,093,450,240	2,425,694,373
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	306,664,660	(297,345,103)	(586,976,413)
Reinsurance assets	7,001,529,377	5,874,436,891	–
Inventories	(60,018,230)	98,347,298	(121,447,874)
Prepaid expenses and other current assets	45,899,005	233,806,168	(174,800,420)
Increase (decrease) in:			
Accounts payable and other current liabilities	(1,212,422,530)	2,233,265,749	284,384,730
Contract liabilities	53,010,100	305,615,672	318,600,218
Insurance contracts - net	(3,735,762,143)	(3,744,874,227)	–
Other noncurrent liabilities	(644,432,748)	(547,456,803)	161,779,141
Net cash generated from operations	7,014,875,950	8,249,245,885	2,307,233,755
Interest received	138,384,018	101,435,993	165,963,537
Income tax paid	(831,187,365)	(463,382,428)	(150,740,171)
Interest and finance charges paid	(578,203,816)	(630,532,352)	(897,608,931)
Net cash flows provided by operating activities	5,743,868,787	7,256,767,098	1,424,848,190

(Forward)



	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in fair value through other comprehensive income investments	P-	P-	(P213,650,000)
Changes in other noncurrent assets	(787,912,856)	(364,644,385)	(362,630,099)
Proceeds from sale/maturities of:			
Property and equipment (Note 20)	210,675,689	47,204,770	24,979,828
Investment properties (Note 19)	-	1,166,888	-
Financial assets at FVTPL, FVOCI and Amortized costs	8,741,253,323	2,751,998,137	-
Sale of controlling interest over EEI (Note 6)	-	-	(1,230,007,964)
Sale of investment in associate	-	337,378,019	1,075,555,630
Return of investments to ARCC	-	-	-
Dividends received	147,230,775	279,856,731	77,532,868
Acquisitions of:			
Computer software (Note 24)	(24,435,127)	(50,875,144)	(13,519,989)
Investments in associates and joint ventures	(40,000,000)	(174,432,352)	-
Financial assets at FVTPL, FVOCI and Amortized costs	(12,505,118,551)	(7,317,876,965)	-
Property and equipment	(2,932,617,603)	(1,916,512,940)	(1,780,281,531)
Investments properties (Note 19)	(589,251,345)	(145,556,063)	(2,737,129,912)
Net cash flows used in investing activities	(7,780,175,695)	(6,552,293,304)	(5,159,151,169)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans payable	14,827,525,000	4,163,500,000	3,175,000,000
Long-term debt - net of transaction cost	3,032,500	6,065,000	2,138,533,920
Payments of:			
Loans payable (Note 26)	(10,063,860,000)	(2,499,642,021)	(4,020,857,979)
Long-term debt (Note 27)	(2,457,057,350)	(32,573,600)	(1,532,573,600)
Cash dividends paid	(853,019,651)	(813,119,616)	(38,823,264)
Movement in finance lease	64,229,041	(71,220,051)	(149,706,182)
Receipts (disbursements) from related party transactions	5,900,988	71,378,235	42,810,910
Cash from new subsidiary consolidated under pooling of interest method	-	-	4,168,135,133
Net capital change related to share swap transaction	-	-	(42,177,463)
Net cash flows provided by financing activities	1,526,750,528	824,387,947	3,740,341,475
EFFECTS OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	109,519,760	131,095,843	(3,458,048)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(400,036,620)	1,659,957,584	2,580,448
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,293,005,389	6,633,047,805	6,630,467,357
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P7,892,968,769	P8,293,005,389	P6,633,047,805

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of Consolidated Financial Statements

Corporate Information

House of Investments, Inc. (the Parent Company) is a stock corporation incorporated under the laws of the Republic of the Philippines on May 21, 1959. As per Section 11 of Revised Corporation Code (RCC) enacted in 2020, a corporation shall have perpetual existence unless its articles of incorporation provide otherwise. Further explained in Securities and Exchange Commission (SEC) Memorandum Circular No. 22 Series of 2020, “the corporate term of a corporation with certificate of incorporation issued prior to the effectivity of the RCC and which continue to exist, shall be deemed perpetual upon the effectivity of the RCC, without any action on the part of the corporation.” Thus, there is no need to amend or extend Parent Company’s corporate life as it already enjoys perpetual existence.

The Parent Company undertook a portfolio realignment with a bias for recurring income and growth in 2023. As a result, the core business focus of the Parent Company is organized into four segments, namely: Financial Services, Property and Property Services, Education and Automotive. The Company’s portfolio investments are in Energy, Healthcare, and Deathcare. On May 31, 2024, the Board of Directors (BOD) approved the infusion of additional capital of ₱90.0 million and the consolidation of the automotive business of the Parent Company into HI Cars, Inc. through the assignment of assets and liabilities effective July 1, 2024.

The Parent Company’s common stock was listed with the Philippine Stock Exchange (PSE) on July 2, 1962, the Parent Company’s initial public offering. The Parent Company’s shares of stock are currently traded at the PSE. The ultimate parent company of the Group is Pan Malayan Management and Investment Corporation (PMMIC), a domestic corporation.

The registered office address and principal place of business of the Parent Company is at 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila.

Authorization for Issuance of Consolidated Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 13, 2026.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The consolidated financial statements of the Group have been prepared under the historical cost basis, except for land, which is carried at revalued amount, and financial assets at FVTPL and FVOCI which are measured at fair value. The accompanying consolidated financial statements are presented in Philippine Peso (Php, ₱), which is also the Parent Company’s functional currency. Except as indicated, all amounts are rounded off to the nearest peso.

Statement of Compliance

The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.



Basis of Consolidation

The consolidated financial statements include the Parent Company and the following subsidiaries (collectively, the Group):

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				2025		2024	
				Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	100.00	–	100.00	–
Landev Corporation	Philippines	Property management	Philippine Peso	100.00	–	100.00	–
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	60.00	–	60.00	–
ATYC, Inc. (ATYC)	Philippines	Property leasing	Philippine Peso	100.00	–	100.00	–
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	100.00	–	100.00	–
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	–	100.00	–	100.00
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	–	100.00	–	100.00
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	–	100.00	–	100.00
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	100.00	–	100.00	–
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	50.00	13.00	50.00	13.00
EEL Corporation (EEL) ^(a)	Philippines	Construction	Philippine Peso	–	–	–	–
iPeople, inc. (IPO) ^(a)	Philippines	Education and Information Technology	Philippine Peso	49.99	–	49.99	–
Malayan Education System, Inc. (MESI) (Operating Under the Name of Mapua University)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Malayan Colleges Mindanao (A Mapua School), Inc. (MCM)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Malayan High School of Science, Inc. (MHSSI)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Mapua Information Technology Center, Inc. (MITC)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Mapua Techserv, Inc. (MTI)	Philippines	Consultancy	Philippine Peso	–	100.00	–	100.00
Mapua Techpower Inc.	Philippines	Consultancy	Philippine Peso	–	75.00	–	75.00
People eServe Corporation	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Pan Pacific Computer Center, Incorporated (PPCCI)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
Affordable Private Education Center, Inc doing business under the name of APEC Schools (APEC)	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
National Teachers College doing business under the name/s and style/s of The National Teachers College ^(g)	Philippines	Education and Information Technology	Philippine Peso	–	99.82	–	99.79
University of Nueva Caceres	Philippines	Education and Information Technology	Philippine Peso	–	83.01	–	83.01
AC College of Enterprise and Technology, Inc ^(h)	Philippines	Education and Information Technology	Philippine Peso	–	–	–	100.00
LINC Institute, Inc doing business under the Name and Style of LINC Academy	Philippines	Education and Information Technology	Philippine Peso	–	100.00	–	100.00
MICO Equities, Inc. (MEI) ^(b)	Philippines	Insurance	Philippine Peso	77.33	–	77.33	–
Sunlife Grepa Financial Inc. (SLGFI) ^(c)	Philippines	Insurance	Philippine Peso	51.00	–	51.00	–
Grepa Realty Holdings Corp. (GRHC) ^(c)	Philippines	Real estate	Philippine Peso	49.00	26.01	49.00	26.01
Tarlac Terra Ventures, Inc. (TTVI) ^(d)	Philippines	Real estate	Philippine Peso	100.00	–	100.00	–
RCBC Trust Corporation (RTTrust) ^(e)	Philippines	Financial Services	Philippine Peso	40.00	–	40.00	–

(a) On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEL Corporation (EEL) for a consideration of P1.25 billion. The sale has reduced the holdings of the Parent Company in EEL from 55.34% to 35.34% which signified loss of control over the subsidiary. This transaction resulted to deconsolidation of EEL and its subsidiaries. On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEL which further reduced the holdings of the Parent Company to 21%. As of December 31, 2023, 16.5% of interest in EEL was accounted for as investment in associate while the remaining 4.5% interest was accounted for asset held for sale which was subsequently sold on January 5, 2024. As of December 31, 2025 and 2024, the investment in EEL is accounted for as FVOCI.



- (b) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with PMMIC, whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI. As of this date PMMIC owns 77.33% of MEI.
- (c) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc, whereby the Parent Company will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and GRHC. As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.
- (d) On December 29, 2023, the Parent Company invested P800.0 million for a 100% stake in Tarlac Terra Ventures, Inc.
- (e) In April 2023, the Parent Company invested P40.0 million for a 40% stake in RCBC Trust Corporation.
- (f) On December 13, 2024, the Parent Company purchased 19,000,000 additional IPO shares, increasing its ownership from 48.18% to 49.99%.
- (g) With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%
- (h) In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company

The consolidated financial statements are prepared for the same reporting year as the Parent Company and subsidiaries, using consistent accounting policies. All significant intercompany balances and transactions, including income, expenses, and dividends are eliminated in full. Profits and losses resulting from intercompany transactions that are recognized in assets are eliminated in full.

Control is achieved when the Parent Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Parent Company controls an investee if and only if the Parent Company has:

- a. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- b. exposure, or rights, to variable returns from its involvement with the investee; and
- c. the ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income and consolidated statements of comprehensive income from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest until the balance is reduced to nil. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Parent Company loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;



- Reclassifies to profit or loss, or transfer directly to retained earnings if required by other PFRSs, the amounts recognized in other comprehensive income in relation to the subsidiary; and
- Recognizes any resulting difference as a gain or loss in profit or loss attributable to the Parent Company

Non-controlling interests (NCI) represent the portion of equity not attributable to the Parent Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests are presented separately in the consolidated statements of comprehensive income and within the equity section of the consolidated statements of financial position and consolidated statements of changes in equity, separately from the equity attributable to equity holders of the Parent Company.

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 21, *Lack of exchangeability*
The amendments clarify:
 - o That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - o That classification is unaffected by the likelihood that an entity will exercise its deferral right.The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Standards Issued But Not Yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.



The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.

The amendments clarify the application of the 'own-use' requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- o Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- o Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.



o Amendments to PFRS 9

▣ Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

▣ Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

o Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

o Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

• PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

On December 15, 2021, the Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission (IC). This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.



The Group has insurance business and does not intend to early adopt PFRS 17. The Group continues its assessment of the implications of this standard and expects that it will have a significant impact on the Group's consolidated financial statements as the requirements of the new standard are complex and requires application of significant judgments and estimates. Specifically, the establishment of Contractual Service Margin (or the unearned profits) on in-force insurance contracts will result in adjustments in insurance contract liabilities and corresponding movements in equity upon transition. Subsequently, the Group expects changes in the timing and recognition of the profits via amortization of the CSM into income as services are provided. The Group is continuously assessing the potential impact of all other changes including accounting policy choices available under PFRS 17 on how insurance contract liabilities are measured and the impact on presentation and disclosure of the financial results in the financial statements.

The adoption of PFRS 17 requires significant changes to the Group's accounting and reporting processes. To ensure readiness, the Group has invested on financial and actuarial technology platforms that will enhance data capture, improve actuarial models and assumptions, among others and subsequently, produce management information for financial planning and enhance business and strategic analyses.

The Group has established a transition program for PFRS 17 and has dedicated significant resources to execute and oversee the plan to manage operational, regulatory, and business and strategic risks associated with the implementation of this standard.

A reliable estimate of the impact to the Company's financial statements arising from the initial application of PFRS 17 is not yet available as implementation is still in progress which includes enhancements to the Company's actuarial and accounting systems and updating of the accounting manual and operating controls.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- o Required totals, subtotals and new categories in the statement of profit or loss
- o Disclosure of management-defined performance measures
- o Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the International Accounting Standards Board (IASB) between February 2021 and May 2024.

The application of the standard is optional for eligible entities.



- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the FSRSC deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

The Group recognizes financial instruments when, and only when, the Group becomes a party to the contractual terms of the financial instruments. Regular way purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace, are recognized on settlement date - the date that an asset is delivered to by the Group.

'Day1' difference

Where the transaction price is different from the fair value or from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day1' difference) in the statements of income in unless it qualifies for recognition as some other type of asset or liability. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statements of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or



loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15, *Revenue*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)

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

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

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables, receivables from related parties, loan receivable and security deposits under 'Other asset' account.

Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income (OCI). However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value in OCI.

The Group may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Group's financial assets at FVTPL includes government and private debt securities, unquoted debt securities, listed equity shares, mutual funds, segregated funds and seed capital in variable unit-linked segregated funds.



Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably all equity investments other than those classified to fair value through profit or loss under this category.

The Group does not have any debt financial assets at FVOCI as of December 31, 2025 and 2024.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The loss allowance was adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group generally considers a financial asset in default when contractual payments are 90 days past due. For a financial asset that arises from long-term construction contracts, the Group considers the asset to be in default if contractual payments are not settled within 30 days from the completion of the construction project. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Financial Liabilities

The Group initially measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs. The Group has no financial liabilities at FVTPL.

Subsequent to initial recognition, the Group's financial liabilities are carried at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

This category generally applies to the Group's accounts payable and other current liabilities, loans payable, long-term debt, due to related parties and lease liabilities.

Reclassification

Reclassifications should be accounted for only when an entity changes its business model for managing financial assets. Changes to the business model are expected to be infrequent; the change is determined by the entity's senior management as a result of external or internal changes and must be significant to the entity's operations and should be evident to external parties. A change in an entity's business model will occur when an entity either begins or ceases to perform an activity that is significant to its operations.

Reclassifications should be accounted for prospectively from the reclassification date. An entity should not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Derecognition of Financial Instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when: (a) the rights to receive cash flows from the asset have expired; or (b) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of income.



Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group controls the goods or services before transferring them to the customer.



The following specific recognition criteria must also be met before revenue is recognized:

(a) *Revenues within the scope of PFRS 15*

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Group provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Revenue from sale of goods

Revenue from sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the inventory item.

Revenue from schools and related operations

Revenue from tuition fees and other matriculation fees are recognized over time as revenue over the corresponding school term using the output method (i.e., time lapsed over the service period such as semester or school year, depending on the curriculum registered). Upon enrollment, students have the option to pay the tuition and other matriculation fees in full or installment.

Admission, examination and other fees are recognized as income when examination has been granted by the school and related services have been provided to the students (at point in time).

Revenue from manpower services

Under the Group's service agreements with its customers, the Group is required to provide manpower services (including but not limited to janitorial, messengerial and other allied services). As provision of these services constitutes a series of distinct good or services that are substantially the same and have the same pattern of transfer to the customer (i.e., the good or service would be recognized over time using the same measure of progress), this was treated by the Group as a single performance obligation. Because the services are simultaneously provided and consumed by the customer, the Group's performance obligation to render such services qualifies for revenue recognition over time by applying par. 35(a) of PFRS 15. The Group recognizes revenue from manpower supply services by applying the "right to invoice" practical expedient since the Group's right to payment is for an amount that corresponds directly with the value to the customer of the Group's performance to date.

Fee income

Insurance contract policyholders are charged for policy administration services, surrenders and other contract fees. These fees and charges are recognized as revenue over the period in which the related services are performed.

(b) *Revenue outside the scope of PFRS 15*

Premiums revenue – Life insurance business

Recurring premiums from life insurance contracts are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date from which the policy is effective. For regular premium contracts, revenue is recorded at the date when payments are due.

Estimates of premiums due as of the reporting date but not yet received are assessed based on the estimates from underwriting or past experience, and are included in premiums earned.

Ceded reinsurance recoveries are accounted for in the same period as the underlying claim.



Premiums from group insurance contracts are recognized as revenue over the period of the contracts using the 365th method. The portion of the premiums written that relates to the unexpired periods of the policies at the end of the reporting period is accounted for as 'Provision for unearned premiums' and presented as part of "Insurance contract liabilities" in the consolidated statements of financial position.

Premiums revenue – Nonlife insurance business

Gross insurance written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period and are recognized on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior periods.

Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the premiums written that relate to the unexpired periods of the policies at end of the reporting period are accounted for as "Provision for unearned premiums" as part of "Insurance contract liabilities" and presented in the liabilities section of the consolidated statements of financial position. The related reinsurance premiums ceded that pertains to the unexpired periods at end of the reporting period are accounted for as "Deferred reinsurance premiums" and shown as part of reinsurance assets in the consolidated statements of financial position. The net changes in these accounts between each end of reporting periods are recognized in profit or loss.

Reinsurance commissions

Commissions earned from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The portion of the commissions that relates to the unexpired periods of the policies at end of the reporting period are accounted for as "Deferred reinsurance commissions" and presented in the liabilities section of the consolidated statement of financial position.

Onerous contracts

If the Group has a contract that is onerous, the present obligation under the contract is recognized and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognizes any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

Contract balances arising from revenue with customer contracts

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.



Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group presents each contract with customer in the consolidated statement of financial position either as a contract asset or a contract liability.

(c) *Revenues within the scope of PFRS 9*

Interest income on investment securities at amortized cost and FVOCI

For all investment securities measured at amortized cost and FVOCI, interest income is based on EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR used to discount future cash flows. Interest income on Stage 1 and 2 accounts are recognized based on their gross carrying amounts while interest income on Stage 3 accounts are recognized on their net carrying amounts.

Interest income on financial assets at FVTPL

Interest income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognized using the modified EIR method which considers amortization of premium and discount and is included under "Interest income on financial assets at FVTPL".

Trading and securities gain (loss) - net

This results from trading activities including all gains and losses from changes in fair value of financial assets and financial liabilities at FVTPL and gains and losses from the disposal of investment securities at FVTPL and FVOCI. Cost of investment securities sold is determined using the specific identification method.

Gain or loss from disposals of investment securities at FVOCI and at amortized costs are presented separately in the profit or loss.

Expenses

Expenses are recognized in the consolidated statement of income when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of sales and services

Cost of sales is recognized as an expense when the related goods are sold. Cost of services include all direct materials and labor costs and those indirect costs related to contract performance which are recognized as incurred.

General and administrative expenses

Administrative expenses constitute costs of administering the business and are expensed as incurred.



Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). NRV is the selling price in the ordinary course of business, less the estimated costs of completion of inventories and the estimated costs necessary to sell.

Cost includes purchase price and other costs directly attributable to its acquisition such as non-refundable taxes, handling and transportation cost.

Cost of inventories is generally determined primarily using the moving-average method, except for automotive units of the car dealerships, which are accounted for using the specific identification method.

Prepaid Expenses

These are recorded as asset before they are utilized and apportioned over the period covered by the payment and charged to the appropriate account in the consolidated statement of income when incurred.

Creditable Withholding Tax (CWT)

CWT pertains to the tax withheld source by the Group's customers and lessees and is creditable against its income tax liability.

Value-Added Tax (VAT)

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position up to the extent of the recoverable amount.

Short-Term Investments

Short-term investment pertains to interest bearing time deposits with terms of not more than one year and held for investment purposes.

Other Current Assets

Other current assets pertain to other resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group within the reporting period.

Investments in Associates and Joint Ventures

An associate is an entity in which the Group has significant influence. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method of accounting. Under this method, the investment amount is increased or decreased to recognize the Group's share in the profit or loss of the investee after the date of acquisition. Dividends received from the investee reduces the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the investee arising from changes in the investee's other comprehensive income.

Gains and losses resulting from 'upstream' and 'downstream' transactions between the Group and its associate or joint venture are recognized in the consolidated financial statements only to the extent of unrelated investors' interests in the associate or joint venture.



The reporting dates and the accounting policies of the associates and joint venture conform to those used by the Group for like transactions and events in similar circumstances.

The Group discontinues applying the equity method when their investment in investee company is reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee company. When the investee company subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee company and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on the Group's investment in its associates and joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associates and joint venture is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the impairment loss in the consolidated statement of income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associates or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in the consolidated statement of income.

Investment Properties

Investment properties are measured at cost less impairment loss, if any, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Except for land, depreciation is computed using the straight-line method over the following average EUL:

	Years
Building and building improvements	10-50
Other equipment	12.5

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Minor repairs and maintenance costs are charged to consolidated statement of income as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost or revalued amount, appraisal increase, and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of income.

Investment properties are derecognized when they either have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.



Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation and commencement of an operating lease to another party. Transfers are made from investment property when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from owner-occupied property to investment property, the deemed cost for subsequent accounting is the fair value at the date of change in use. Upon transfer of an asset accounted for under revaluation model to asset accounted for under cost model, any revaluation reserve relating to such particular asset is transferred to retained earnings upon disposal.

Property and Equipment - At Cost

Property and equipment, except for land, are stated at cost, less accumulated depreciation, amortization, and impairment loss, if any. The initial cost of property and equipment consists of its purchase price, including import duties, taxes, and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as part of current operations.

Depreciation is computed using the straight-line method over the following average EUL:

	Years
Buildings and improvements	10-50
Machinery, tools, and other equipment	3-15
Transportation and service equipment	5
Furniture, fixtures and office equipment	5

Amortization of improvements is computed over the EUL of the improvement or term of the lease, whichever is shorter.

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Minor repairs and maintenance costs are charged to consolidated statement of income as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, the cost or revalued amount, appraisal increase, and related accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of income.

Construction in progress represents property and equipment under construction and is stated at cost. This includes cost of construction, plant and equipment and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operational use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognized.



Fully depreciated property and equipment are retained in the accounts until they are no longer in use and no further depreciation and amortization are credited to or charged against current operations.

Property and Equipment - At Revalued Amount

Land is carried at its revalued amount. The appraised values used for revaluation were determined by an independent firm of appraisers.

The initial cost of land consists of its purchase price and directly attributable costs of bringing the asset to its working condition and location for its intended use.

The appraisal increment (net of deferred tax) resulting from the revaluation is credited to OCI and accumulated in equity under "revaluation increment on land - net" account. Decreases in valuation is charged to profit or loss, except to the extent that it reverses the existing accumulated revaluation increment on the same asset and therefore such decrease is recognized in OCI. The decrease recognized in OCI reduces the revaluation increment on land - net account in equity. In case a subsequent revaluation increase of an asset reverses a revaluation decrease previously recognized in profit or loss, such increase is credited to income in profit or loss.

The same rules apply to impairment losses. An impairment loss on a revalued asset is first used to reduce the revaluation increment for that asset. Only when the impairment loss exceeds the amount in the revaluation increment for that same asset is any further impairment loss recognized in profit or loss.

Upon disposal of land, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Impairment of Nonfinancial Assets

For investments in associate and joint venture, property and equipment, right-of-use asset and investment properties, the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

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

Impairment losses are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.



Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. Before recognizing a gain on a bargain purchase, the Group assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and recognize any additional assets or liabilities that are identified in that review.

Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is allocated should:

- represent the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- not be larger than an operating segment determined in accordance with PFRS 8, *Operating Segments*

Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs), to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained. If the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the acquirer shall recognize immediately in the consolidated statement of income any excess remaining after reassessment.

Combination of Entities under Common Control

The Group applies pooling-of-interests method for combination of entities under common control. The pooling-of-interests method generally involved the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts. No adjustments are made to reflect fair value or recognize any new assets or liabilities at the date of combination. The only adjustments that are made are those adjustments to harmonize the accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the entity acquired is reflected within equity.
- The consolidated statement of income, comprehensive income and cash flows reflect the result of the combining entities in full, irrespective of when the combination takes place.
- Comparative financial information are presented as if the entities had always been combined, or on date the common control existed on the combining entities, whichever comes earlier.
- The effects of any intercompany transactions are eliminated to the extent possible.



Intangible Assets Other Than Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Subsequently, intangible assets are measured at cost less accumulated amortization and provision for impairment loss, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement of income in the year in which the expenditure is incurred.

The estimated useful life of intangible assets is assessed as either finite or indefinite. The estimated useful lives of intangible assets are as follows:

	<u>Number of Years</u>
Intellectual property rights	Indefinite
Student relationship	5-7

The estimated useful lives of intangible assets with finite lives are assessed at the individual asset level. Intangible assets with finite lives are amortized over their estimated useful lives on a straight- line basis. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible assets and is recognized in the consolidated statement of comprehensive income when the intangible asset is derecognized.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives (EUL) of the assets, as follows:

	Years
Building and building improvements	5 to 66
Building, office spaces and warehouses	2 to 10
Other equipment	1 to 3

Right-of-use assets are subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Lease liabilities that are expected to be settled for no more than 12 months after reporting period are classified as current liabilities presented as current portion of lease liabilities. Otherwise, these are classified as noncurrent liabilities.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.



Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Insurance Contract Liabilities - Life

Life insurance contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts is calculated on the basis of a stringent prospective actuarial valuation method where the assumptions used depend on the circumstances prevailing at the inception of the contract. Assumptions and actuarial valuation methods are also subject to provisions of the Insurance Code (the Code) and guidelines set by the IC.

Subsequently, new estimates are developed at each reporting date to determine whether the liabilities reflect the current experience using the gross premium valuation which considers assumptions on mortality, morbidity, lapse and/or persistency, expenses, non-guaranteed benefits, discount rate and margin for adverse deviation. The initial assumptions could not be altered if the Group deems the current assumptions to still be reflective of their experience. As a result, the effect of changes in the underlying variables on insurance liabilities and related assets is not symmetrical. Improvements and significant deteriorations in estimates have an impact on the value of the liabilities and related assets.

Movements in legal policy reserves attributable to changes in discount rate are recorded under "Remeasurement on legal policy reserves" in other comprehensive income and the changes in policies and assumptions are recorded under "Gross change in legal policy reserves" in the statement of income.

Insurance contracts with fixed and guaranteed terms

Premiums are recognized as revenue when they become due from the policyholders which for single premium business, is the date on which the policy becomes effective.

Benefits are recorded as an expense when they are incurred and are accrued as a liability.

An increase in liability for contractual benefits that are expected to be incurred in the future is recorded under 'Change in legal policy reserves' in the Group statements of income when the premiums are recognized. The liability is determined as the sum of the present value of future benefits and expenses, less the present value of the future gross premiums arising from the policy contract discounted at the appropriate risk-free discount rate. The expected future cash flows is determined using the best estimate assumptions with due regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

The liability is based on actuarial assumptions such as mortality and morbidity, maintenance expenses, and lapse and/or persistency rates that are established at the time the contract is issued. A margin for adverse deviation (MfAD) is also included in the assumptions. For group life insurance and accident and health insurance, reserves are computed by calculating the unearned portion of the written premiums for the year.



Provision is also made for the cost of claims incurred but not reported (IBNR) as of the reporting date based on the Group's experience. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the consolidated statement of income in later years. Policy and contract claims payable forms part of the insurance contract liability section of the consolidated statement of financial position.

Unit-linked insurance contracts

The Group issues unit-linked insurance contracts. In addition to providing life insurance coverage, a unit-linked contract links payments to insurance investment funds set-up by the Group with consideration received from the policyholders. As allowed by PFRS 4, the Group chose not to unbundle the investment portion of its unit-linked products. Premiums received (including premium load and bid-offer spread) from the issuance of unit-linked insurance contracts are recognized as premium revenue. Consideration received from policyholders that are transferred to the segregated funds is recognized as part of gross change in legal policy reserves in the statements of income.

The Group withdraws the cost of insurance and administrative charges from the consideration received from the policyholders in accordance with the provisions of the unit-linked insurance contracts. After deduction of these charges, the remaining amounts in fund assets are equal to the surrender value of the unit-linked policies, and are withdrawable anytime.

The investment returns on the insurance investment funds belong to policyholders and the Group does not bear the risk associated with these assets (outside of guarantees offered). Accordingly, investment income earned and expenses incurred by these funds and payments to policyholders have the same corresponding change in the reserve for unit-linked liabilities. Management fee income earned by the Group for managing the insurance investment funds and the monthly load and cost of insurance charges are included in fee income.

Insurance investment funds primarily include investments in debt securities, equities, short-term investments and cash and cash equivalents. The methodology applied to determine the fair value of the investments held in these funds is consistent with that applied to investments held by general fund. Segregated fund liabilities is measured based on the value of the insurance investment funds attributable to the policyholders.

The equity of each unit-linked policyholder in the fund is monitored through the designation of outstanding units for each policy. Hence, the equity of each unit-linked insurance contract in the fund is equal to its total number of outstanding units multiplied by the net asset value per unit (NAVPU). The NAVPU is the market value of the fund divided by its total number of outstanding units.

Policy and contract claims payable

Claims payable includes the sum of the individual amounts that are due and have already been approved for payment but have not actually been paid as of the end of the reporting period. This also includes accrual of reported claims that are not yet approved for payment. This is recognized when due and measured on initial recognition at fair value. Subsequent to initial recognition, this is measured at amortized cost using the EIR method. This also includes provision for incurred but not reported losses.

Insurance Contract Liabilities - Nonlife

Insurance contract liabilities are recognized when contracts are entered into and premiums are charged.



Provision for claims reported and Incurred but not reported (IBNR) losses

Provision for claims reported and IBNR losses are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of which cannot be known with certainty at the reporting date. The IBNR is calculated based on standard actuarial projection techniques or combination of such techniques, such as but not limited to the chain ladder method, the expected loss ratio approach, the Bornhuetter - Ferguson method. At each reporting date, prior year claims estimates are reassessed for adequacy and changes made are charged to provision.

Premium liabilities

Premium liabilities are equal to the Unearned Premium Reserves (UPR), plus the difference between the Unexpired Risk Reserves (URR) and the UPR net of Deferred Acquisition Cost (DAC), if the URR is higher than UPR net of DAC. Otherwise, it is equal to the UPR.

Provision for unearned premiums

The proportion of written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired is deferred as provision for unearned premiums. This is accounted for as "Provision for unearned premiums" as part of "Insurance contract liabilities" and presented in the liabilities section of the statement of financial position. Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24th method. The change in the provision for unearned premiums is taken to profit or loss in order that revenue is recognized over the period of risk. Further provisions are made to cover claims under unexpired insurance contracts which may exceed the unearned premiums and the premiums due in respect of these contracts.

Provision for unexpired risk

Provision for unexpired risk is the best estimate that relates to expected future claim payments and related expenses to be incurred after the valuation date, arising from future events. This shall be calculated as the best estimate of future claims and expenses for all classes of business, with MfAD.

Other insurance contract liabilities

Other insurance contract liabilities include advanced or excess collections and unpaid policy related disbursements.

Reinsurance

The Group cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies for its share on the unpaid losses incurred by the Group. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract. Reinsurance recoverable on paid losses are included as part of "Insurance receivables".

Reinsurance assets are reviewed for impairment at each end of the reporting period or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when objective evidence exists that the Group may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Group will receive from the reinsurer can be measured reliably. The impairment loss is recorded in the statement of income.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.



The Group also assumes reinsurance risk in the normal course of business for insurance contracts. Premiums and claims on assumed reinsurance are recognized in profit or loss as income and expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

When the Group enters into a proportional treaty reinsurance agreement for ceding out its insurance business, the Group initially recognizes a liability at transaction price. Subsequent to initial recognition, the portion of the amount initially recognized as a liability which is presented as “Insurance payables” in the liabilities section of the consolidated statement of financial position will be withheld and recognized as “Funds held for reinsurers” and included as part of the “Insurance payables” in the liabilities section of the consolidated statement of financial position. The amount withheld is generally released after a year.

Deferred Acquisition Costs (DAC)

Commissions and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. All other acquisition costs are recognized as expense when incurred.

Subsequent to initial recognition, these costs are amortized using the 24th method over the life of the contract. Amortization is charged against the profit or loss. The unamortized acquisition costs are shown as “Deferred acquisition costs” in the assets section of the statement of financial position.

An impairment review is performed at each end of the reporting period or more frequently when an indication of impairment arises. The carrying value is written down to the recoverable amount. The impairment loss is charged to profit or loss. DAC is also considered in the liability adequacy test for each end of the reporting period.

Foreign Currency-denominated Transaction and Translation

The consolidated financial statements are presented in Philippine Peso. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate at the reporting date. All differences are taken to consolidated statements of income. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statements of income accounts are translated at monthly weighted average exchange rate. Likewise, the financials of the Group’s



associate whose functional currency is not the Philippine Peso that is accounted for under equity method are translated to the presentation currency of the Parent Company in a similar manner. The exchange differences arising on the *translation* are taken directly to a separate component of equity under “Cumulative translation adjustments” account.

Upon disposal of a foreign subsidiary, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of income.

Retirement Cost

Defined benefit plan

The defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

Defined benefit costs on the Group’s defined benefit retirement plan are actuarially computed using the projected unit credit (PUC) valuation method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to the services rendered in the current period.

Defined benefit costs comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.



Income Tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the financial reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations. Deferred income tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT), net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward of unused MCIT and NOLCO can be utilized.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries, associate and interest in joint venture. With respect to investments in foreign subsidiaries, associate and interest in joint venture, deferred tax liabilities are recognized except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed by the end of each financial reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be used. Unrecognized deferred tax assets are reassessed at the end of each financial reporting date and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the end of the financial reporting date.

Deferred tax relating to items recognized outside profit or loss are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and deferred income taxes relate to the same entity and the same taxation authority.

Basic and Diluted Earnings Per Share (EPS)

Basic EPS is computed by dividing net income for the year attributable to equity holders of the Parent Company adjusted for the after-tax amounts of dividends on preferred stock by the weighted average number of common stock outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits.

Diluted EPS is computed by adjusting the net income attributable to ordinary equity holders of the Parent Company to reflect any changes from dilutive potential shares divided by the weighted average number of common stock outstanding during the year after giving retroactive effect for any stock dividends, stock splits or reverse stock splits and adjusted for the effects of all dilutive potential common stock.



The calculation of diluted EPS does not assume conversion, redemption, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. Potential ordinary shares are antidilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share. As there are no potential dilutive ordinary shares, basic and diluted EPS are stated at the same amount.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Stock Option Plan

No benefit expense is recognized relative to the shares issued under the stock options plan. When the shares related to the stock option plans are subscribed, these are treated as capital stock issuances. The stock option plan is exempt from PFRS 2, *Share-based Payment*.

Segment Reporting

The Group's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 42.

Capital Stock

The Group records common stocks at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Treasury Shares

When the Group purchases the Group's capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects is included in equity (Note 39).

Equity Reserve

Equity reserve consist of equity transactions other than capital contributions, such as equity transactions arising from transactions with NCI and difference between considerations paid or transferred and the net assets of the entity acquired through business combinations involving entities under common control.



Retained Earnings

Retained earnings represent accumulated earnings of the Group and any adjustment arising from application of new accounting standards, policies or corrections of errors applied retroactively less dividends declared. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by subsidiaries. Appropriated retained earnings are those that are restricted for planned investments and business expansion. Unappropriated retained earnings are those that can be allocated for specific purposes and can be distributed as dividend. Retained earnings are further restricted for the payment of dividends to the extent of the cost of treasury shares (Note 40).

Events After the Financial Reporting Date

Post year-end events that provide additional information about the Group's position at the end of the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in compliance with PFRSs requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at those estimates to change. The effects of any changes in estimates will be reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ for such estimates.

Judgment

Determining control over an entity in which Parent Company holds less than majority of voting rights

The Parent Company holds 40% of interest in RTrust. The Parent Company exercise control over RTrust by virtue of its power to nominate executive positions such as President, and CEO, thereby, exercising control and supervision over RTrust operations as well as financing activities. As such, the Parent Company is able to exercise control even if ownership is less than 50%.

The Parent Company has determined that it is still the largest stockholder of IPO with 49.99% equity interest and continues to have control over IPO by virtue of its power to nominate majority of the members of the BOD of IPO thereby exercising control and supervision on IPO's operations as well as financing activities. Accordingly, the Parent Company assessed that IPO continues to be a subsidiary even though it owns less than 50% equity interest over IPO after the merger.

Determination of significant influence on investment in an associate if ownership is less than 20%

Holding of less than 20% of voting rights is presumed not to give rise to significant influence unless it can be clearly demonstrated that there is in fact significant influence. The Parent Company is able to exercise significant influence for ownership less than 20% because it has an active participation in the policy-making process including operating decisions of the investee.



As of December 31, 2025 and 2024, the Parent Company holds 10% of interest in RRC. The Parent Company exercises significant influence in RRC since the Parent Company's President is the concurrent president of RRC. The president is also a member of the BOD. As such, the president of the Parent Company effectively has a participation in the policy-making process of RRC. Hence, the Parent Company is able to exercise significant influence even if ownership is less than 20%.

Assessment of joint control

Judgment is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group assesses their rights and obligations arising from the arrangement and specifically considers:

- the structure of the joint arrangement - whether it is structured through a separate vehicle
- when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from
- the legal form of the separate vehicle
- the terms of the contractual arrangement other facts and circumstances, considered on a case by case basis

Refer to Note 18 for details of the Group's investment in joint venture.

Determination of functional currency

PAS 21, *The Effects of Changes in Foreign Exchange Rates*, requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, the following were considered:

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

The functional currency is Philippine peso as disclosed in Note 2.

Determination of lease term of contracts with renewal and termination options - Group as a lessee

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group included the renewal period as part of the lease term for leases with shorter non-cancellable period (i.e., three to ten years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of land and office spaces with longer non-cancellable periods are not included as part of the lease term as these are not reasonably certain to be exercised (see Note 22).



Recognition of schools and related operations fees over time

The Group determined that schools and related operations fees are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the Group's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the Group's performance as it performs (see Note 30).

Product classification

The Group has determined that the unit-linked insurance policies it issues that link the payments on the contract to units of an internal investment fund has significant insurance risk and therefore meets the definition of an insurance contract and should be accounted for as such. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Claims liability arising from insurance contracts

Life Insurance Contracts

For life insurance contracts with fixed and guaranteed terms, estimates are made in two stages. At the inception of the contracts, the Group determines assumptions in relation to future deaths, voluntary terminations, investment returns and administration expenses. Then, throughout the life of the contract, these assumptions are used for calculating the liabilities. A margin for risk and uncertainty is added to these assumptions.

Terms

Life insurance contracts offered by the Group mainly include whole life, term insurance, endowments, group medical insurance and unit-linked products.

Whole life and term insurance are conventional products where lump sum benefits are payable on death, provided death occurs within the terms of the policy.

Endowment products are products where lump sum benefits are payable after a fixed period or upon death if it occurs before the period is completed.

Group medical insurance is a supplementary benefit that provides assistance in times of hospitalization arising from sickness or accidents.

Unit-linked products differ from conventional policies in that premium, net of applicable charges, are allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.



Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to insurance and investment contracts. Assumptions used are based on past experience, current internal data and conditions and external market indices and benchmarking, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate and prudent estimates at the date of valuation. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are also subject to the provisions of the Code and guidelines set by the IC.

The key assumptions to which the estimation of liabilities is particularly sensitive follows:

- *Mortality and morbidity*
The mortality and morbidity assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Group's actual experience.
- *Discount rates*
Discount rates relate to the time value of money. The risk-free discount rate shall be the equivalent zero-coupon spot and forward yield of the yield curve with matching duration for durations less than or equal to 20 years. The valuation interest rate assumptions are consistent with risk free rates as provided by IC.

The assumptions are reviewed and revised at each reporting date. A decrease in discount rate would result in remeasurement loss on life insurance reserves.

- *Non-guaranteed benefits*
The level of non-guaranteed benefits under traditional life insurance policies to be valued, including policy dividends, are determined with due regard to the Company's duty to treat its policyholders fairly and meet policyholders' reasonable expectations.
- *Lapses and/or persistency rates*
Lapse and/or persistency rates reflective of the Company's actual experience are taken as the best estimate lapse and/or persistency assumption, with regard to changing Company practices and market conditions.

Other key assumption used is the expense assumptions which are based on the Company's experience derived from its latest expense study

Nonlife insurance contracts

For non-life insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of the IBNR claims at the reporting date. It can take a significant period of time before the ultimate claim costs can be established with certainty and for some type of policies, IBNR claims form the majority of the consolidated statement of financial position claims provision. The IBNR provision of the Group has been calculated using standard actuarial projection techniques using past development patterns to determine the expected future development and project the claim amounts for each accident year to its ultimate value. A number of different valuation methodologies have been adopted, each with their own strengths and blended them together which include: (a) paid chain ladder method (with and without Bornhuetter-Ferguson (BF) adjustments); (b) reported chain ladder method (with and without BF adjustments); and (c) expected loss ratio method. At each reporting date, prior year claims estimates are reassessed for adequacy and changes made are charged to provision.



The main assumptions underlying the estimation of the claims provision is that an entity's past claims development experience can be used to project future claims development and hence, ultimate claims costs. Historical claims development is mainly analyzed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjustor estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historic claims development data on which the projections are based.

The carrying amounts of insurance contract liabilities are disclose in Note 28.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Group's lease liabilities amounted to ₱0.84 billion and ₱0.73 billion as of December 31, 2025 and 2024, respectively (see Note 22).

Fair value measurement of unquoted equity investments at FVOCI

The Group uses valuation techniques such as dividend discount model, adjusted net asset method, and others to estimate the fair value of unquoted investment. These valuation techniques require significant unobservable inputs to calculate the fair value of the Group's unquoted equity investments at FVOCI. These inputs include appraised value of real properties, discount rates, among others. Changes in assumptions relating to these factors could affect the reported fair value of these unquoted equity financial instruments.

The fair value of unquoted equity investments amounted to ₱2.10 billion and ₱1.81 billion as of December 31, 2025 and 2024, respectively (see Note 16).

Provision for expected credit losses of trade receivables and contract assets

The Group uses the simplified approach in calculating the ECL of its trade receivables and contract assets wherein the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The model is based on the Group's historical default rates and adjusted to include forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

As of December 31, 2025 and 2024, the aggregate carrying values of receivables and contract assets are disclosed in Notes 9 and 10 to the consolidated financial statements.



Valuation of land classified as property and equipment under revaluation basis

The Group's parcels of land are carried at revalued amounts. The valuations of these parcels of land were performed by SEC accredited independent appraisers and were determined using the market approach. Significant adjustments to inputs used in determining the fair value of land such as location and utility could affect the appraised value of the assets.

Land carried under revaluation basis amounted to ₱16.05 billion and ₱15.02 billion as of December 31, 2025 and 2024, respectively. The key assumptions used to determine the fair value of the parcels of land are disclosed in Note 20.

Impairment of nonfinancial assets

The Group assesses impairment on its nonfinancial assets other than goodwill and intellectual property rights whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. The factors that the Group considers important which could trigger an impairment review include significant underperformance relative to expected historical or projected future operating results, significant changes in the manner of use of the acquired assets or the strategy for overall business, and significant negative industry or economic trends.

Impairment of Goodwill and Intellectual property rights are assessed at least on an annual basis. In assessing the impairment, the Group determines the recoverable amount using value in use with detailed disclosures made in Notes 23 and 24.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

As to the Group's property and equipment, right-of-use asset and goodwill, no impairment loss was recognized for the years ended December 31, 2025, 2024 and 2023 (see Notes 20, 22 and 23).

Impairment of Student relationship and Intellectual property rights are assessed at least on an annual basis. In assessing the impairment, the Group determines the recoverable amount using value in use with detailed disclosures made in Note 23 and 24.

Estimation of retirement benefits

The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates which were disclosed in Note 36. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement and other obligations.

Retirement assets amounted to ₱126.01 million and ₱147.34 million as of December 31, 2025 and 2024, respectively whereas retirement liabilities amounted to ₱807.38 million and ₱847.99 million as of December 31, 2025 and 2024, respectively (Note 36).

Realizability of deferred tax assets

The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Where there is no absolute



assurance that each legal entity in the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized, deferred tax assets are not recognized.

Deferred tax assets recognized and unrecognized by the Group are disclosed in Note 37 to the consolidated financial statements.

Classification of CWT

The Group classify its CWT as current when it is expected to be realized (e.g., will be used as tax credit against income taxes due) for at least twelve months after the reporting period. The portion of CWT that is expected to be realized after twelve months after the reporting period is classified as noncurrent.

CWT recognized by the Group are disclosed in Notes 15 and 24 to the consolidated financial statements.

Provisions and contingencies

The Group is currently involved in various proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Management does not believe that these proceedings will have a material adverse effect on the Group's financial statement because management and its legal counsels believe that the Group has substantial legal and factual bases for its position.

6. Deconsolidation of a Subsidiary Arising from Loss of Control

On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% investment in EEI Corporation ("EEI") for a total consideration of ₱1.25 billion. Total holdings after the sale were reduced from 55.34% to 35.34% which resulted to loss of control over EEI. The Group recognized loss on loss of control amounting to ₱945.35 million.

With 35.34% retained interest, the Group assessed that it has retained significant influence over EEI with its representation in the board of directors of EEI. Accordingly, the retained interest was accounted as investment in associate. The Group measured the retained interest at fair value based on provisional purchase price allocation. The Group recognized gain on bargain purchase amounting to ₱1,087.24 million arising from the difference between the fair value of the investment recognized and the share in the fair value of the net assets of EEI as of transaction date as follows:

Fair value of retained investment		₱2,209,143,065
Fair value of acquired net assets of EEI		
Contract assets	₱10,312,311,714	
Accounts receivable	3,289,253,141	
Cash and cash equivalents	2,480,007,964	
Property and equipment	3,445,476,205	
Other assets	13,838,548,131	
Loans payable	(₱4,600,000,000)	
Long-term debt	(5,508,339,253)	
Accounts payable and other expenses	(5,391,045,595)	
Other liabilities	(2,453,580,975)	
Fair value of net assets	15,412,631,332	
Less: Share of other shareholders	(12,116,252,849)	3,296,378,483
<u>Gain on bargain purchase</u>		<u>₱1,087,235,418</u>



The fair value of the identifiable assets and liabilities of EEI as at April 26, 2023, the acquisition date, were based on the assessment of fair based on internal and independent valuation of the net assets of EEI. If new information obtained within one year of the transaction date about facts and circumstances that existed at the transaction date identifies adjustments to the above amounts, or any additional provisions that existed at the transaction date, then the fair value of the net assets of EEI will be updated.

The net loss on the disposal of investments recognized in 2023 is as follows:

Loss from deconsolidation	(P945,354,003)
Gain on bargain purchase	1,087,235,418
<u>Net loss on disposal of investment</u>	<u>P141,881,415</u>

Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceeds from the sale amounted to P1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to P0.58 billion.

As of December 31, 2023, the Parent Company classified 4.5% interest in EEI as "Asset Held for Sale" and remeasured at P337.38 million. The transaction was accounted as noncash investing activity in the 2023 consolidated statement of cash flows. The asset was subsequently sold on January 5, 2024. On February 23, 2024, the Parent Company sold another 1.5% interest in EEI. As of December 31, 2025 and 2024, the Parent Company's investment in EEI is classified as financial assets at FVOCI.

7. Deconsolidated Operations

On April 26, 2023, the Parent Company sold a controlling interest over EEI resulting to a loss of control (see Note 6).

PFRS 5 requires income and expenses from disposal groups to be presented separately from continuing operations, down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the consolidated statements of income. Accordingly, the consolidated statements of income for the years ended December 31, 2022 and 2021 have been restated to present the results of operations of EEI as 'Net income (loss) from deconsolidated operations' in the consolidated statements of income.

	2023*	2022
<i>Deconsolidated Operations</i>		
Revenue	5,181,488,858	P14,426,606,321
Costs of sales and services	4,423,634,707	12,477,715,872
Gross profit	757,854,151	1,948,890,449
General and administrative expenses	(450,994,039)	(1,638,885,873)
Equity in net earnings (loss) of associates and joint ventures	(366,256,080)	(105,851,646)
Interest and finance charges	(214,496,734)	(378,389,078)
Other income	26,190,109	410,838,000

(Forward)



	2023*	2022
Income (loss) from deconsolidated operations before income tax	(P247,702,593)	P236,601,852
Provision for income tax	46,754,695	69,812,427
Net income (loss)	(294,457,288)	166,789,425
Loss on deconsolidation	(945,354,003)	-
Bargain purchase on fair valuation	1,087,235,418	-
Loss on subsequent sale of investment	(252,823,886)	-
Remeasurement loss	(20,907,379)	-
Net income (loss) from deconsolidated operations	(P426,307,138)	P166,789,425

*Represents period activity prior to the sale on April 26, 2023 and impact of the deconsolidation.

The related cash flows arising from deconsolidated operations follow:

	2023	2022
Net cash used in operating activities	(P759,439,533)	(P727,804,083)
Net cash provided by (used in) investing activities	(1,165,527,776)	24,111,957
Net cash provided by (used in) financing activities	1,852,544,989	(3,868,888,367)

Income (loss) per share from deconsolidated operation:

	2023	2022
Net income (loss) attributable to equity holders of the Parent Company from deconsolidated operation	(P426,307,138)	P166,789,425
Weighted average number of common shares	1,469,302,230	776,465,281
Earnings (loss) per share - basic/diluted	(P0.2901)	P0.2148

8. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	P3,535,397,112	P4,876,274,485
Cash equivalents	4,357,571,657	3,416,730,904
	P7,892,968,769	P8,293,005,389

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents have terms with varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earns annual interest at the respective rates, ranging from 0.01% to 5.5% in 2025, 2024, and 2023.

Interest income from cash in banks and cash equivalents amounted to P186.82 million, P166.11 million and, P114.55 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 32).



9. Receivables

This account consists of:

	2025	2024
Trade		
Financial services		
Insurance	P7,283,342,187	P8,097,428,126
Trust and asset management	170,318,775	157,917,844
Education	2,293,899,247	2,064,608,313
Car dealership	332,329,049	574,667,178
Other services	209,543,352	202,014,223
Other receivables		
Accrued interest receivable	577,961,937	523,125,965
Advances to officers and employees	76,267,392	65,440,999
Receivables from car plant	33,998,805	38,019,582
Accrued referral incentives	24,999,108	23,568,101
Dividends receivable (Note 22)	12,852,436	50,718,196
Receivable from customers	6,542,271	5,421,537
Advances to suppliers and contractors	3,907,012	1,019,664
Others	64,025,033	66,166,648
	11,089,986,604	11,870,116,376
Less allowance for impairment	613,143,869	607,449,886
	P10,476,842,735	P11,262,666,490

Trade Receivables

The trade receivables are noninterest-bearing and collectible within one (1) year which consists of the following:

Insurance receivables

This account consists of:

	2025	2024
Due from policyholders, agents and brokers	P4,527,912,275	P5,631,795,447
Premiums due and uncollected	464,552,640	192,361,913
Due from ceding companies:		
Treaty	1,427,115,867	1,260,014,486
Facultative	83,334,097	143,325,147
Funds held by ceding companies - treaty	347,989,070	404,720,883
Reinsurance recoverable on paid losses	432,438,238	465,210,250
	7,283,342,187	8,097,428,126
Less allowance for impairment losses	(80,969,316)	(91,220,810)
	P7,202,372,871	P8,006,207,316

Due from policyholders, agents and brokers arise from unpaid non-life premiums from policyholders and intermediaries. Due from ceding companies are premiums receivable for assumed business from other insurance and reinsurance companies.

Premiums due and uncollected premiums arise from uncollected premiums on in-force life policies which are collectible within the Group's grace period.

Due from ceding companies are premiums receivable for assumed business from other insurance and reinsurance companies.



The amount of funds held by ceding companies is a percentage of the premiums retained by ceding companies, as stipulated in the treaty contracts. The reinsurance recoverable on paid losses pertains to amounts recoverable from the reinsurers in respect of their share of claims already paid by the Group.

The following table shows aging information of insurance receivables:

	2025					Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Due from policyholders, agents and brokers and Premiums due uncollected	₱649,328,107	₱532,904,560	₱328,509,296	₱832,784,405	₱2,648,244,995	₱4,991,771,363
Due from ceding companies:						
Treaty	268,535,172	9,400,227	–	2,506,008	1,146,674,459	1,427,115,866
Facultative	8,230,115	389,954	12,103,676	3,727,508	58,882,844	83,334,097
Funds held by ceding companies - treaty	121,889,660	7,974,385	–	86,111	218,038,914	347,989,070
Reinsurance recoverable on paid losses	12,103,631	12,470,307	78,955,414	31,293,506	298,308,933	433,131,791
Total	₱1,060,086,685	₱563,139,433	₱419,568,386	₱870,397,538	₱4,370,150,145	₱7,283,342,187

	2024					Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Due from policyholders, agents and brokers and Premiums due uncollected	₱974,772,141	₱1,170,579,766	₱255,406,379	₱512,976,723	₱2,910,422,351	₱5,824,157,360
Due from ceding companies:						
Treaty	47,456,984	12,630,908	3,606,151	78,952,374	1,117,368,069	1,260,014,486
Facultative	19,980,712	15,450,850	11,347,570	4,278,072	92,267,943	143,325,147
Funds held by ceding companies - treaty	22,700,312	79,269	381,261	196,171,785	185,388,256	404,720,883
Reinsurance recoverable on paid losses	–	10,792,195	12,112,595	25,938,167	416,367,293	465,210,250
Total	₱1,064,910,149	₱1,209,532,988	₱282,853,956	₱818,317,121	₱4,721,813,912	₱8,097,428,126

The rollforward of allowance for impairment losses as of December 31, 2025 and 2024 follows:

	2025					Total
	Due from policyholders, agents and brokers	Due from ceding companies - facultative	Due from ceding companies - treaty	Funds held by ceding companies	Reinsurance recoverable on paid losses	
Balance at beginning of year	₱66,877,760	₱4,371,936	₱2,989,199	₱544,720	₱16,437,195	₱91,220,810
Impairment loss - net of reversals	42,309,131	(4,371,936)	(1,402,917)	–	(16,437,195)	20,097,083
Write-off	(30,348,577)	–	–	–	–	(30,348,577)
Balance at end of year	₱78,838,314	₱–	₱1,586,282	₱544,720	₱–	₱80,969,316
Individually impaired	₱6,233,282	₱–	₱–	₱–	₱–	₱6,233,282
Collectively impaired	72,605,032	–	1,586,282	544,720	–	74,736,034
Total	₱78,838,314	₱–	₱1,586,282	₱544,720	₱–	₱80,969,316

	2024					Total
	Due from policyholders, agents and brokers	Due from ceding companies - facultative	Due from ceding companies - treaty	Funds held by ceding companies	Reinsurance recoverable on paid losses	
Balance at beginning of year	₱70,584,003	₱4,371,936	₱2,992,121	₱544,720	₱16,437,195	₱94,929,975
Impairment loss - net of reversals	–	–	–	–	–	–
Write-off	(3,706,243)	–	(2,922)	–	–	(3,709,165)
Balance at end of year	₱66,877,760	₱4,371,936	₱2,989,199	₱544,720	₱16,437,195	₱91,220,810
Individually impaired	₱9,939,525	₱–	₱–	₱–	₱–	₱9,939,525
Collectively impaired	56,938,235	4,371,936	2,989,199	544,720	16,437,195	81,281,285
Total	₱66,877,760	₱4,371,936	₱2,989,199	₱544,720	₱16,437,195	₱91,220,810



Receivables from education

Receivables from education represent amounts arising from tuition and other matriculation fees which are normally collected at end of every school term before the students can proceed to the next term. This also includes receivable from Department of Education amounting to ₱225.4 million and ₱161.70 million as at December 31, 2025 and 2024, respectively, arising from the Senior High School (SHS) Voucher Program wherein qualified SHS students are given assistance on tuition fees. These receivables are noninterest-bearing and are generally collectible within one year.

Receivables from car dealership

Receivables from car dealership represent amounts arising from the sale of car, parts and accessories and services collectible within 30 days.

Receivables from other services

Receivables from other services represent amounts arising from management and consultancy services provided by the Group generally collectible within 30 days.

No trade receivables were used as collaterals to secure obligations as of December 31, 2025 and 2024.

Other Receivables

Advances to officers and employees are interest-bearing and repaid on a monthly basis through salary deductions.

Receivable from customers

As of December 31, 2025 and 2024, receivable from customers amounted to ₱6.54 million and ₱5.42 million, respectively.

Receivables classified as “Others” consist of interest, commission, insurance, and various receivables.

Allowance for Impairment Losses

The movements in allowance for impairment for the years ended December 31 follow:

	2025						Total
	Financial Services		Car Dealership	Education *	Other Services	Other Receivables	
	Insurance	Trust and asset management					
Balance at beginning of year	₱93,055,252	₱10,403,406	₱3,439,376	₱435,058,574	₱11,246,576	₱54,246,703	₱607,449,887
Provisions - net of recoveries (Note 33)	20,000,000	(5,222,215)	24,448	79,587,431	94,778	(22,418,331)	72,066,111
Write-offs	(30,251,494)	-	-	(36,120,635)	-	-	(66,372,129)
Balance at end of year	82,803,758	₱5,181,191	₱3,463,824	₱478,525,370	₱11,341,354	₱31,828,372	₱613,143,869

*Inclusive of tuition and other education-related receivables amounting to ₱469.80 million and ₱8.77 million, respectively.

	2024						Total
	Financial Services		Car Dealership	Education *	Other Services	Other Receivables	
	Insurance	Trust and asset management					
Balance at beginning of year	₱-	₱-	₱23,912,334	₱384,531,396	₱11,246,576	₱56,144,487	₱475,834,793
Provisions - net of recoveries (Note 33)	(150,000)	10,403,406	2,022,518	50,539,178	-	-	62,815,102
Write-offs	(3,709,165)	-	(22,495,476)	(12,000)	-	(1,897,784)	(28,114,425)
Effect of common control business combination	96,914,417	-	-	-	-	-	96,914,417
Balance at end of year	₱93,055,252	₱10,403,406	₱3,439,376	₱435,058,574	₱11,246,576	₱54,246,703	₱607,449,887

*Inclusive of tuition and other education-related receivables amounting to ₱426.33 million and ₱8.77 million, respectively



10. Contract Assets and Liabilities

Contract Assets

As of December 31, 2025 and 2024, the Group has no contract assets.

Contract Liabilities

Details of the Group's contract liabilities as of December 31, 2025 and 2024 are shown below.

	2025	2024
<i>Current</i>		
Education	₱1,283,627,485	₱1,290,123,387
Leasing	185,641,041	174,770,251
Total current contract liabilities	1,469,268,526	1,464,893,638
<i>Noncurrent</i>		
Leasing	160,886,163	112,250,951
Total noncurrent contract liabilities	160,886,163	112,250,951
Total contract liabilities	₱1,630,154,689	₱1,577,144,589

Contract liabilities from education segment represents the unearned tuition fees and will be recognized as revenue when the related educational services are rendered. Contract liabilities related to the remaining performance obligations of the education segment are generally recognizable within one (1) year.

Contract liabilities from leasing segment pertains to the advance payment of rental and utilities of tenants which is mainly composed of customer's deposit and deferred lease income. Customer's deposits pertain to deposits paid upon execution of the contract of lease which will be utilized for any obligation of the lease and any excess will be refunded to the lessee at the end of the lease term. These are initially recorded at fair value, which was obtained by discounting future cash flows using the prevailing market interest rate. The difference between the cash received and its fair value is included in the deferred lease income account.

11. Segregated Fund Assets/Liabilities

The Group issues unit-linked insurance contracts. Premiums received from issuance of unit-linked insurance contracts are recognized as premium revenue. The consideration received from policyholders that are transferred to the segregated funds is recognized as part of the gross change in legal policy reserves in the statement of income. Cost of insurance and administrative charges are withdrawn from the consideration received from policyholders in accordance with the provisions of the unit-linked insurance contracts. After deduction of these charges, the remaining amounts in the fund assets are equal to the surrender value of unit-linked policies and are withdrawable anytime.

This fund consists of:

	2025	2024
Net asset value of segregated funds	₱49,610,248,172	₱42,688,319,471
Seed capital in segregated funds (Note 16)	(581,219,838)	(545,856,656)
	₱49,029,028,334	₱42,142,462,815

Subscriptions allocated to unit-linked funds represent the investment portion of variable unit-linked policies issued by the Group which were subsequently invested to unit-linked funds at the discretion of the policyholder.



The Group issues variable unit-linked insurance contracts where payments to policyholders are linked to internal investment funds set up.

The following are the internal investment funds:

- Bond Fund
- Balanced and Opportunity Fund
- Equity and Growth Fund
- Income Fund
- Global Asset Builder Fund ProIncome
- Global Asset Builder (PriMO)
- Peso Asset Builder
- Peso Global Growth
- Peso Global Income
- Peso Global Opportunity
- Peso Global Opportunity Payout
- Global Opportunity Payout
- Dynamic Fund
- Index Fund
- Captains Fund
- My Future Fund
- Growth Plus Fund
- Global Opportunity Fund
- Global Income Fund
- Money Market Fund
- Global Growth Fund
- Opportunity Tracker Fund
- Peso Global Sustainability Growth Fund
- Peso Asset Builder (Hybrid Income)
- Opportunity Fund
- Peso Global Tech Payout
- Peso Global Tech Growth
- Peso Asset Builder – Pro Income
- Global Asset Builder – Pro Income



The details of these internal investment funds, which comprise the assets backing unit-linked liabilities, are presented in the tables below:

	2025												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Bond	₱4,473,306	₱688,013,569	₱-	₱11,820,360	₱65,931,951	₱-	₱762,292	₱54,477	₱14,131,062	(₱2,273,100)	₱782,913,917	(₱3,540,825)	₱779,373,092
Balanced	21,920,679	612,123,966	568,597,406	19,179,573	122,115,733	-	1,706,762	90,071	12,848,053	(1,639,050)	1,356,943,193	(5,111,006)	1,351,832,187
Equity	25,952,803	-	1,185,877,497	-	-	-	2,560,161	1,307,699	-	(1,556,550)	1,214,141,610	(6,490,042)	1,207,651,568
Growth	11,946,758	-	697,928,274	-	-	-	(34,076)	897,013	-	(1,529,400)	709,208,569	(2,939,031)	706,269,538
Opportunity	12,044,001	827,747,415	917,280,888	108,033,564	252,228,416	-	(166,372)	426,485	22,027,154	(1,708,200)	2,137,913,351	(7,837,163)	2,130,076,188
Income	3,340,419	630,405,617	-	60,325,003	85,135,674	-	(1,060,785)	237,106	13,869,544	(2,397,600)	789,854,978	(3,384,338)	786,470,640
Dynamic	5,720,327	530,215,606	343,878,353	-	2,351,171	-	(22,030)	-	9,630,505	(8,803,000)	882,970,932	(3,690,794)	879,280,138
Index	41,692,069	-	4,413,303,630	-	-	-	(37,263,404)	-	2,279,500	(7,229,000)	4,412,782,795	(9,161,866)	4,403,620,929
Captains	21,065,825	-	1,243,766,267	-	-	-	62,686	-	951,424	(7,801,000)	1,258,045,202	(2,458,775)	1,255,586,427
Money Market	867,572	-	44,881,395	-	-	-	(1,021)	-	46	(11,503,000)	34,244,992	(21,722)	34,223,270
MyFuture 2025	2,026,802	(4,981,323)	-	-	4,981,323	-	(290,533)	-	6,208	-	1,742,477	(2,003,863)	(261,386)
MyFuture 2030	812,130	118,842,172	61,469,993	-	-	-	188,828	-	2,294,663	(9,438,000)	174,169,786	(807,806)	173,361,980
MyFuture 2035	2,636,536	24,830,230	50,740,964	-	-	-	66,121	-	326,822	(8,692,000)	69,908,673	(210,659)	69,698,014
MyFuture 2040	1,673,324	15,129,625	67,449,692	-	-	-	58,922	-	285,105	(8,632,000)	75,964,668	(212,808)	75,751,860
Growth PLUS	39,305,158	-	5,978,523,831	-	-	-	(64,308)	16,710,918	1,368,288	(10,270,000)	6,025,573,887	(24,681,165)	6,000,892,722
MyFuture 2045	1,165,763	8,418,352	39,985,800	-	(945,610)	-	(54,677)	-	193,823	(47,010,000)	1,753,451	(128,026)	1,625,425
MyFuture 2050	1,136,543	5,452,385	40,371,117	-	902,106	-	25,155	-	173,083	(46,880,000)	1,180,389	(122,270)	1,058,119
MyFuture 2055	1,149,055	6,345,906	41,211,936	-	-	-	8,956	-	172,014	(46,825,000)	2,062,867	(123,935)	1,938,932
Global Opportunity	21,557,680	-	1,795,087,478	-	-	-	(19,784,444)	-	-	(44,036,650)	1,752,824,064	(3,462,409)	1,749,361,655
Global Income	2,377,896	-	439,708,819	-	-	-	13,422	-	-	(26,552,504)	415,547,633	(762,382)	414,785,251
Global Growth	21,867,789	-	1,772,199,050	-	-	-	(309,452)	-	-	(47,596,384)	1,746,161,003	(6,328,530)	1,739,832,473
Asset Builder - PriMO	-	-	-	-	-	-	(5,284,045)	-	-	-	(5,284,045)	-	(5,284,045)
Peso Asset Builder - PriMO	-	-	-	-	-	358,520,280	-	-	-	-	358,520,280	-	358,520,280
Dollar Money Market	817,539	-	41,151,425	-	-	-	(139)	-	-	(32,096,401)	9,872,424	(2,198,071)	7,674,353
Opportunity Tracker	7,117,762	178,900,940	97,891,598	-	-	-	285,629	-	2,490,147	(1,558,050)	285,128,026	(1,048,909)	284,079,117
Peso Global Growth	3,244,543	-	356,224,989	-	-	-	1,088,850	4,303,443	-	(34,147,500)	330,714,325	(1,648,625)	329,065,700
Peso Global Income	602,644	-	45,692,975	-	-	-	199,289	-	-	(25,292,500)	21,202,408	(90,508)	21,111,900
Peso Global Opportunity	4,822,219	-	172,866,621	-	-	-	707,736	-	-	(31,497,500)	146,899,076	(828,399)	146,070,677
Asset Builder - EA 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Builder - EA 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Global Opportunity Payout	26,397,820	-	2,522,242,502	-	-	-	1,133,522	-	4,623,940	(27,881,158)	2,526,516,626	(5,224,228)	2,521,292,398
Peso Global Payout Fund	7,271,155	-	450,439,561	-	-	-	20,648,816	-	816,649	(28,787,500)	450,388,681	(959,603)	449,429,078
Peso Global Sustainability Growth Fund	1,390,104	-	45,262,512	-	-	-	109,648	-	-	(33,640,000)	13,122,264	(150,177)	12,972,087
PAB Hybrid Income	-	-	-	-	-	2,440,152,840	85,300	-	-	(1,059,600)	2,439,178,540	-	2,439,178,540
PAB Hybrid Income 2	-	-	-	-	-	1,260,498,240	178,050	-	-	(1,065,600)	1,259,610,690	-	1,259,610,690
PAB Hybrid Income 3	-	-	-	-	-	882,734,820	98,750	-	-	(1,063,600)	881,769,970	-	881,769,970
PAB ProIncome	-	-	-	-	-	718,068,939	3,550	-	-	(902,200)	717,170,289	-	717,170,289
PAB ProIncome 2	-	-	-	-	-	676,439,282	(176,800)	-	-	(905,400)	675,357,082	-	675,357,082
PAB ProIncome 3	-	-	-	-	-	604,552,375	-	-	-	(911,500)	603,640,875	-	603,640,875
PAB ProIncome 4	-	-	-	-	-	539,191,208	(7,205,820)	-	-	(911,700)	531,073,688	-	531,073,688

(Forward)



2025													
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
PAB ProIncome 5	₱-	₱-	₱-	₱-	₱-	₱539,672,760	(₱2,870,200)	₱-	₱-	(₱908,500)	₱535,894,060	₱-	₱535,894,060
PAB - ProIncome 6	-	-	-	-	-	781,699,750	(8,387,800)	-	-	(985,700)	772,326,250	-	772,326,250
PAB - ProIncome 7	-	-	-	-	-	919,949,745	(208,000)	-	-	(919,400)	918,822,345	-	918,822,345
SLG PAB - ProIncome 1 (Nomura)	-	-	-	-	-	1,114,686,150	(482,300)	-	-	(995,700)	1,113,208,150	-	1,113,208,150
SLG PAB - ProIncome 1 (MS)	-	-	-	-	-	1,003,525,950	233,413	-	-	(958,000)	1,002,801,363	-	1,002,801,363
GAB ProIncome	-	-	-	-	-	961,073,170	(1,690,377)	-	-	(1,157,222)	958,225,571	-	958,225,571
GAB ProIncome 2	-	-	-	-	-	491,458,039	(227,811)	-	-	(1,201,903)	490,028,325	-	490,028,325
GAB ProIncome 3	-	-	-	-	-	260,518,773	(237,570)	-	-	(1,197,787)	259,083,416	-	259,083,416
VUL GAB - ProIncome ING	-	-	-	-	-	673,145,782	2,219,340	-	-	(1,123,712)	674,241,410	-	674,241,410
SLG VUL GAB - ProIncome 4	-	-	-	-	-	490,169,797	(4,901,722)	-	-	(1,117,833)	484,150,242	-	484,150,242
SLG VUL GAB - ProIncome 2 ING	-	-	-	-	-	572,347,388	(5,142,755)	-	-	(1,145,817)	566,058,816	-	566,058,816
Peso Global Tech Payout	271,215,080	-	4,163,438,115	-	-	-	175,649,542	-	-	(1,150,800)	4,609,151,937	(171,850,762)	4,437,301,175
Peso Global Tech Growth	8,709,785	-	381,472,413	-	-	-	5,085,981	-	-	(1,232,900)	394,035,279	(4,089,196)	389,946,083
SLG Global Tech Payout	88,436,883	-	1,252,190,263	-	-	-	93,147,535	-	-	(1,481,743)	1,432,292,938	(59,354,529)	1,372,938,409
SLG Global Tech Growth	837,926	-	54,858,794	-	-	-	4,907,228	-	-	(1,550,175)	59,053,773	(212,755)	58,841,018
	₱665,595,895	₱3,641,444,460	₱29,285,994,158	₱199,358,500	₱532,700,764	₱15,288,405,288	₱215,369,043	₱24,027,212	₱88,488,030	(₱581,219,839)	₱49,360,163,511	(₱331,135,177)	₱49,029,028,334

2024													
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Bond Fund	₱13,271,220	₱417,711,953	₱6,505,617	₱11,483,102	₱98,116,672	₱-	₱935,339	₱42,418	₱7,939,879	(₱2,191,200)	₱553,815,000	(₱2,057,101)	₱551,757,899
Balanced Fund	31,849,753	459,653,976	748,635,686	18,992,545	132,926,376	-	4,223,435	70,426	10,251,636	(1,680,000)	1,404,923,833	(5,356,801)	1,399,567,032
Equity Fund	47,797,035	-	1,221,323,094	-	-	-	2,282,551	2,467,857	563,211	(1,706,700)	1,272,727,048	(2,224,205)	1,270,502,843
Growth Fund	36,733,388	-	884,185,603	-	-	-	(202,289)	2,298,898	416,839	(1,682,850)	921,749,589	(1,628,411)	920,121,178
Opportunity Fund	27,617,620	741,070,381	1,364,793,658	96,546,401	278,997,081	-	10,510,251	(289,183)	21,046,841	(1,750,500)	2,538,542,550	(7,233,571)	2,531,308,979
Income Fund	17,209,946	535,424,785	3,829,326	53,520,938	140,261,365	-	(1,061)	176,671	11,651,454	(2,318,250)	759,755,174	(2,902,875)	756,852,299
Dynamic	16,775,351	442,037,188	589,693,857	-	-	-	(935)	-	6,355,045	(8,912,000)	1,045,948,506	(3,053,579)	1,042,894,927
Index	46,914,237	-	4,985,274,895	-	-	-	7,489,495	-	2,453,982	(7,800,000)	5,034,332,609	(31,367,664)	5,002,964,945
Captains	25,443,554	-	1,502,842,476	-	-	-	3,544,502	-	2,385,913	(8,859,000)	1,525,357,445	(2,623,510)	1,522,733,935
Money Market	1,295,096	-	29,861,682	-	-	-	4,319	-	85	(11,080,000)	20,081,182	(13,338)	20,067,844
My Future 2025	15,971,538	388,128,909	25,006,245	-	-	-	(173,255)	-	6,400,626	(1,542,300)	433,791,763	(2,024,705)	431,767,058
My Future 2030	7,862,134	113,442,948	57,511,242	-	-	-	226,842	-	2,153,270	(9,332,000)	171,864,436	(741,761)	171,122,675
My Future 2035	122,760	25,883,073	52,791,137	-	-	-	119,154	-	357,542	(8,877,000)	70,396,666	(210,010)	70,186,656
My Future 2040	338,662	19,064,702	72,284,585	-	-	-	63,995	-	367,450	(8,870,000)	83,249,394	(232,615)	83,016,779
Growth Plus Fund	38,369,649	-	6,567,172,968	-	-	-	2,965,433	-	1,866,323	(10,288,000)	6,600,086,373	(11,516,834)	6,588,569,539
MyFuture 2045	431,846	8,845,016	40,235,127	-	-	-	(61,138)	-	213,282	(48,455,000)	1,209,133	(131,880)	1,077,253
MyFuture 2050	423,581	7,541,987	41,094,386	-	-	-	-	-	194,839	(48,305,000)	949,793	(128,597)	821,196
MyFuture 2055	565,119	7,787,582	41,544,775	-	-	-	(412)	-	200,137	(48,325,000)	1,772,201	(129,715)	1,642,486
Global Opportunity	26,481,656	-	1,977,405,058	-	-	-	(13,798)	-	-	(38,672,275)	1,965,200,641	(3,573,654)	1,961,626,987

(Forward)



2024

	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Global Income	₱14,481,836	₱16,086,138	₱625,214,793	₱-	₱-	₱-	(₱5,605)	₱-	₱83,518	(₱24,673,785)	₱631,186,895	(₱1,503,031)	₱629,683,864
Global Growth Fund	29,156,912	-	1,913,248,336	-	-	-	569,987	-	-	(40,621,651)	1,902,353,584	(3,886,901)	1,898,466,683
Global Asset Builder - PriMO	-	-	-	-	-	738,195,851	(5,744,587)	-	-	-	732,451,264	-	732,451,264
Peso Asset Builder - PriMO	-	-	-	-	-	357,739,200	(477,750)	-	-	-	357,261,450	-	357,261,450
Dollar Money Market	1,966,432	-	38,232,287	-	-	-	(149)	-	-	(30,733,049)	9,465,521	(17,172)	9,448,349
Opportunity Tracker	8,209,384	133,864,633	187,233,236	-	-	-	1,312,228	-	1,663,050	(1,585,200)	330,697,331	(893,473)	329,803,858
Peso Global Growth	23,995,774	-	283,217,990	-	-	-	75,632	-	-	(29,170,000)	278,119,396	(20,340,710)	257,778,686
Peso Global Income	1,072,213	956,169	36,902,279	-	-	-	43,442	-	5,063	(23,607,500)	15,371,666	(94,666)	15,277,000
Peso Global Opportunity	3,169,179	1,020,034	113,777,816	-	-	-	54,353	-	13,864	(27,765,000)	90,270,246	(232,797)	90,037,449
Global Opportunity Payout	30,686,300	-	2,309,564,056	-	-	-	33,998,997	-	1,836,534	(25,547,244)	2,350,538,643	(4,131,919)	2,346,406,724
Peso Global Opportunity Payout	19,861,387	-	372,488,083	-	-	-	70,617	-	310,633	(26,365,000)	366,365,720	(703,663)	365,662,057
Peso Global Sustainability Growth Fund	1,621,375	-	39,589,656	-	-	-	99,586	-	-	(30,165,000)	11,145,617	(77,518)	11,068,099
Peso Asset Builder - Hybrid Income	-	-	-	-	-	2,300,825,450	85,300	-	-	(979,700)	2,299,931,050	-	2,299,931,050
Peso Asset Builder - Hybrid Income 2	-	-	-	-	-	1,174,635,300	178,050	-	-	(984,400)	1,173,828,950	-	1,173,828,950
Peso Asset Builder - Hybrid Income 3	-	-	-	-	-	829,124,280	98,750	-	-	(980,400)	828,242,630	-	828,242,630
Global Asset Builder - ProIncome	-	-	-	-	-	923,268,383	-	-	-	(1,102,410)	922,165,973	-	922,165,973
Global Asset Builder - ProIncome 3	-	-	-	-	-	249,774,941	(233,752)	-	-	(1,137,927)	248,403,262	-	248,403,262
Peso Asset Builder - ProIncome	-	-	-	-	-	708,168,000	3,550	-	-	(885,200)	707,286,350	-	707,286,350
Global Asset Builder - ProIncome 2	-	-	-	-	-	471,208,262	(224,149)	-	-	(1,142,323)	469,841,790	-	469,841,790
Peso Asset Builder - ProIncome 2	-	-	-	-	-	692,298,440	(2,046,166)	-	-	(901,900)	689,350,374	-	689,350,374
Peso Asset Builder - ProIncome 3	-	-	-	-	-	612,351,600	(493,300)	-	-	(910,500)	610,947,800	-	610,947,800
Peso Asset Builder - ProIncome 5	-	-	-	-	-	542,789,840	(3,326,739)	-	-	(906,100)	538,557,001	-	538,557,001
Peso Asset Builder - ProIncome 4	-	-	-	-	-	541,776,000	(5,357,920)	-	-	(902,900)	535,515,180	-	535,515,180
Peso Global Tech Payout	36,910,728	-	421,540,879	-	-	-	46,416,498	-	-	(1,053,700)	503,814,405	(584,593)	503,229,812
Peso Global Tech Growth	2,994,060	-	22,941,622	-	-	-	1,180,616	-	-	(1,053,700)	26,062,598	(35,533)	26,027,065
Global Asset Builder - ProIncome 4	-	-	-	-	-	467,897,909	(4,822,931)	-	-	(1,060,993)	462,013,985	-	462,013,985
Peso Asset Builder - ProIncome 6	-	-	-	-	-	780,174,000	(24,026,400)	-	-	(974,000)	755,173,600	-	755,173,600
	₱529,599,725	₱3,318,519,474	₱26,575,942,450	₱180,542,986	₱650,301,494	₱11,390,227,456	₱69,340,586	₱4,767,087	₱78,731,016	(₱545,856,657)	₱42,252,115,617	(₱109,652,802)	₱42,142,462,815



Cash and cash equivalents

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods not exceeding three months depending on the immediate cash requirements of the funds and earn interest at the prevailing short-term deposit rates.

Government debt securities

Government securities pertain to peso denominated bonds with interest rates ranging from 3.00% to 11.25% and 2.375% to 9.25% in 2025 and 2024, respectively.

Equity securities

Equity securities consist mainly of shares which are listed and actively traded.

Corporate loans

This consists of unquoted corporate loans which are carried at fair value.

Private peso and dollar bonds

Private bonds are either a plain bond, a callable bond, a credit-linked bond or a structure product. The Company rely on counterparty valuations for plain bond and credit-linked notes while the Company use historical market price of a benchmark bond for callable bond.

Structured notes

Structured notes are issued by foreign investment-grade banks with underlying assets invested in pre-defined mix of equities, bonds, commodity-linked assets and exchange traded funds.

Subscriptions receivable/payable

Subscriptions receivable pertains to amounts due from/to the Company for subscriptions from unitholders which have not yet been transferred to the corresponding VUL fund as of reporting date.

Investment receivable

Investment receivable pertains to amounts due from brokers which represent receivables for securities sold that have been contracted for but not yet settled as of the end of the reporting period.

Accrued income

Accrued income includes interest receivable and dividends receivable. Interest receivable pertains to interest accrued on cash equivalents and government debt securities. Dividends receivable pertains to dividends accrued on listed equity securities.

Accounts payable and accrued expenses

Accounts payable and accrued expenses pertain to amounts due to brokers which represent payables for securities purchased that have been contracted for but not yet settled as of the end of the reporting period. It also includes redemptions payable to unitholders.

Seed capital

Seed capital is the initial funding that allows exchange traded funds (ETFs) to launch and become available to investors.

The unit-linked financial assets at fair value are classified as follows:

	2025			Total
	Level 1	Level 2	Level 3	
Segregated fund assets				
Equity securities	₱-	₱29,285,994,158	₱-	₱29,285,994,158
Government debt securities	3,641,444,460	-	-	3,641,444,460
Structured notes	-	15,288,405,288	-	15,288,405,288
Corporate loans	-	-	199,358,499	199,358,499
Private peso bonds	-	-	532,700,764	532,700,764
	₱3,641,444,460	₱44,574,399,446	₱732,059,263	₱48,947,903,169



	2024			Total
	Level 1	Level 2	Level 3	
Segregated fund assets				
Equity securities	₱26,575,942,450	₱–	₱–	₱26,575,942,450
Government debt securities	–	3,318,519,474	–	3,318,519,474
Structured notes	–	–	11,390,227,456	11,390,227,456
Corporate loans	–	–	180,542,986	180,542,986
Private peso bonds	–	650,301,494	–	650,301,494
	₱26,575,942,450	₱3,968,820,968	₱11,570,770,442	₱42,115,533,860

Following are the stress testing schedules of the unit-linked financial assets classified as level 3 as of December 31, 2025:

1. Sun Grepa Peso Asset Builder - PriMO

Bloomberg ISIN	XS1934993764		
Maturity	4-Mar-26		
Valuation Date	31-Dec-25		
Note Provider	Goldman Sachs		
Remaining Time to Maturity	0.18	<i>assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor</i>	

Option Value	0.00%
Fixed Income Value	94.80%

	Scenario 1	Scenario 2	Scenario 3
Current Value	94.80%	94.80%	94.80%
PHP NDS	-0.19%	-0.13%	-0.12%
ROP CDS	-0.04%	0.00%	0.00%
GS CDS	-0.03%	0.00%	-0.01%
Fixed Income Level	94.54%	94.67%	94.67%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	94.54%	94.67%	94.67%

2. Sun Grepa Peso Asset Builder - Hybrid Income 1

Bloomberg ISIN	XS2617697359		
Maturity	29-Sep-30		
Valuation Date	31-Dec-25		
Note Provider	Nomura		
Remaining Time to Maturity	4.02	<i>Duration since bond is not zero coupon</i>	

Option Value	0.00%
Fixed Income Value	104.75%

	Scenario 1	Scenario 2	Scenario 3
Current Value	104.75%	104.75%	104.75%
USD IRS	-3.79%	-2.41%	-2.09%
ROP CDS	-2.14%	-0.49%	-0.17%
GS CDS	-5.18%	-3.81%	-2.02%
Fixed Income Level	93.64%	98.04%	100.47%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	93.64%	98.04%	100.47%



3. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN	XS2617537233	
Maturity	27-Oct-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.07	<i>Duration since bond is not zero coupon</i>
Coupon	7.15	

Fixed Income Value 105.91%

	Scenario 1	Scenario 2	Scenario 3
Current Value	105.91%	105.91%	105.91%
PHP NDS	-3.84%	-2.44%	-2.11%
ROP CDS	-2.16%	-0.50%	-0.17%
Nomura CDS	-5.25%	-3.85%	-2.05%
Fixed Income Level	94.66%	99.11%	101.58%
MTM Level	94.66%	99.11%	101.58%

4. Sun Grepa Peso Asset Builder – Hybrid Income 3

Bloomberg ISIN	XS2692916302	
Maturity	21-Nov-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.10	<i>Duration since bond is not zero coupon</i>

Coupon 7.20%
Fixed Income Value 106.19%

	Scenario 1	Scenario 2	Scenario 3
Current Value	106.19%	106.19%	106.19%
PHP NDS	-3.87%	-2.46%	-2.13%
ROP CDS	-2.18%	-0.50%	-0.18%
Nomura CDS	-5.29%	-3.88%	-2.06%
Fixed Income Level	94.86%	99.34%	101.82%
MTM Level	94.86%	99.34%	101.82%

5. Sun Grepa Global Asset Builder – (ProIncome 1)

Bloomberg ISIN	XS2692848208	
Maturity	22-Dec-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.12	<i>Duration since bond is not zero coupon</i>

Coupon 6.90%
Fixed Income Value 98.48%

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.48%	98.48%	98.48%
ROP CDS	-2.19%	-0.50%	-0.18%
Nomura CDS	-5.31%	-3.90%	-2.07%
Fixed Income Level	90.98%	94.08%	96.23%
MTM Level	90.98%	94.08%	96.23%



6. Sun Grepa Global Asset Builder – (ProIncome 2)

Bloomberg ISIN	XS2762688724
Maturity	10-May-31
Valuation Date	31-Dec-25
Note Provider	Nomura
Remaining Time to Maturity	4.42 <i>Duration since bond is not zero coupon</i>

Coupon	6.80%
Fixed Income Value	98.11%

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.11%	98.11%	98.11%
PHP NDS	-2.35%	-0.54%	-0.19%
ROP CDS	-5.70%	-4.18%	-2.22%
Nomura CDS	90.06%	93.38%	95.70%
Fixed Income Level	98.11%	98.11%	98.11%
MTM Level	90.06%	93.38%	95.70%

7. Sun Grepa Global Asset Builder (ProIncome 3)

Bloomberg ISIN	XS2762770225
Maturity	30-May-31
Valuation Date	31-Dec-25
Note Provider	Nomura
Remaining Time to Maturity	4.48 <i>Duration since bond is not zero coupon</i>

Coupon	6.80
Fixed Income Value	98.16%

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.16%	98.16%	98.16%
ROP CDS	-2.38%	-0.55%	-0.19%
Nomura CDS	-5.77%	-4.24%	-2.25%
Fixed Income Level	90.01%	93.37%	95.72%
Current Value	98.16%	98.16%	98.16%
MTM Level	90.01%	93.37%	95.72%

8. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2596306493
Maturity	26-Mar-31
Valuation Date	31-Dec-25
Note Provider	ING
Remaining Time to Maturity	4.27 <i>Duration since bond is not zero coupon</i>
Coupon	6.90

Fixed Income Value	91.26%
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	Scenario 1	Scenario 2	Scenario 3
Current Value	91.26%	91.26%	91.26%
PHP NDS	-4.03%	-2.56%	-2.22%
ROP CDS	-2.27%	-0.52%	-0.18%
ING CDS	-4.80%	-3.78%	-1.80%
Fixed Income Level	80.16%	84.40%	87.06%
MTM Level	80.16%	84.40%	87.06%



9. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2647239495		
Maturity	30-Apr-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.38	<i>Duration since bond is not zero coupon</i>	
Coupon	6.90		

Fixed Income Value 90.60%

	Scenario 1	Scenario 2	Scenario 3
Current Value	90.60%	90.60%	90.60%
PHP NDS	-4.13%	-2.63%	-2.27%
ROP CDS	-2.33%	-0.54%	-0.19%
ING CDS	-4.93%	-3.87%	-1.85%
Fixed Income Level	79.21%	83.56%	86.29%

MTM Level 79.21% 83.56% 86.29%

10. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831036764		
Maturity	30-Jun-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.53	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value 92.09%

	Scenario 1	Scenario 2	Scenario 3
Current Value	92.09%	92.09%	92.09%
PHP NDS	-4.27%	-2.72%	-2.35%
ROP CDS	-2.41%	-0.55%	-0.19%
ING CDS	-5.09%	-4.00%	-1.91%
Fixed Income Level	80.32%	84.81%	87.64%

MTM Level 80.32% 84.81% 87.64%

11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831035790		
Maturity	17-Jul-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.57	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value 91.33%

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.33%	91.33%	91.33%
PHP NDS	-4.31%	-2.74%	-2.37%
ROP CDS	-2.43%	-0.56%	-0.20%
ING CDS	-5.14%	-4.04%	-1.93%
Fixed Income Level	79.46%	83.99%	86.84%

MTM Level 79.46% 83.99% 86.84%



12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470		
Maturity	6-Sep-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.68	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value 91.46%

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.46%	91.46%	91.46%
PHP NDS	-4.41%	-2.81%	-2.43%
ROP CDS	-2.49%	-0.57%	-0.20%
ING CDS	-5.26%	-4.14%	-1.97%
Fixed Income Level	79.29%	83.94%	86.86%
MTM Level	79.29%	83.94%	86.86%

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911651334		
Maturity	20-Dec-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.75	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value 92.25%

	Scenario 1	Scenario 2	Scenario 3
Current Value	92.25%	92.25%	92.25%
PHP NDS	-4.48%	-2.85%	-2.46%
ROP CDS	-2.53%	-0.58%	-0.20%
ING CDS	-5.34%	-4.20%	-2.00%
Fixed Income Level	79.90%	84.61%	87.58%
MTM Level	79.90%	84.61%	87.58%

14. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911646417		
Maturity	18-Feb-32		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.79	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value 91.71%

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.71%	91.71%	91.71%
PHP NDS	-4.51%	-2.87%	-2.48%
ROP CDS	-2.54%	-0.59%	-0.20%
ING CDS	-5.38%	-4.23%	-2.02%
Fixed Income Level	79.27%	84.02%	87.01%
MTM Level	79.27%	84.02%	87.01%



Following are the stress testing schedules of the unit-linked financial assets classified as level 3 as of December 31, 2024:

1. Sun Grepa Peso Asset Builder - PriMO

Bloomberg ISIN	XS1934993764		
Maturity	4-Mar-26		
Valuation Date	30-Dec-24		
Note Provider	Goldman Sachs		
Remaining Time to Maturity	1.18	<i>assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor</i>	

Option Value	0.00%
Fixed Income Value	95.55%

	Scenario 1	Scenario 2	Scenario 3
Current Value	95.55%	95.55%	95.55%
PHP NDS	-1.82%	-0.89%	-0.34%
ROP CDS	-0.10%	-0.03%	-0.09%
GS CDS	-0.22%	-0.12%	-0.12%
Fixed Income Level	93.41%	94.50%	95.00%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	93.41%	94.50%	95.00%

2. Sun Grepa Global Asset Builder - PriMO

Bloomberg ISIN	XS1792287267		
Maturity	17-Dec-25		
Valuation Date	30-Dec-24		
Note Provider	Goldman Sachs		
Remaining Time to Maturity	0.96	<i>assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor</i>	

Option Value	0.00%
Fixed Income Value	94.30%

	Scenario 1	Scenario 2	Scenario 3
Current Value	94.30%	94.30%	94.30%
USD IRS	-1.59%	-0.08%	-0.16%
ROP CDS	-0.08%	-0.03%	-0.08%
GS CDS	-0.18%	-0.10%	-0.09%
Fixed Income Level	92.45%	94.09%	93.97%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	92.45%	94.09%	93.97%

3. Sun Grepa Peso Asset Builder – Hybrid Income 1

Bloomberg ISIN	XS2617697359		
Maturity	29-Sep-30		
Valuation Date	30-Dec-24		
Note Provider	Nomura		
Remaining Time to Maturity	4.73	<i>Duration since bond is not zero coupon</i>	
Coupon	7.10		

Fixed Income Value	97.97%
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	Scenario 1	Scenario 2	Scenario 3
Current Value	97.97%	97.97%	97.97%
PHP NDS	-4.97%	-1.11%	-2.81%
ROP CDS	-0.90%	-0.04%	-0.05%
Nomura CDS	-5.14%	-1.01%	-0.36%
Fixed Income Level	86.96%	95.81%	94.75%
MTM Level	86.96%	95.81%	94.75%



4. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN XS2617537233
 Maturity 27-Oct-30
 Valuation Date 30-Dec-24
 Note Provider Nomura
 Remaining Time to Maturity 4.77 *Duration since bond is not zero coupon*
 Coupon 7.15 Bloomberg ISIN XS2617537233

Fixed Income Value 98.44%

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.44%	98.44%	98.44%
PHP NDS	-5.01%	-1.12%	-2.83%
ROP CDS	-0.91%	-0.04%	-0.05%
Nomura CDS	-5.18%	-1.02%	-0.37%
Fixed Income Level	87.34%	96.26%	95.19%

MTM Level 87.34% 96.26% 95.19%

5. Sun Grepa Peso Asset Builder – Hybrid Income 3

Bloomberg ISIN XS2692916302
 Maturity 21-Nov-30
 Valuation Date 30-Dec-24
 Note Provider Nomura
 Remaining Time to Maturity 4.79 *Duration since bond is not zero coupon*

Coupon 7.20%

Fixed Income Value 98.04%

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.04%	98.04%	98.04%
PHP NDS	-5.03%	-1.12%	-2.84%
ROP CDS	-0.91%	-0.04%	-0.05%
Nomura CDS	-5.19%	-1.02%	-0.37%
Fixed Income Level	86.91%	95.85%	94.79%

MTM Level 86.91% 95.85% 94.79%

6. Sun Grepa Global Asset Builder – (ProIncome 1)

Bloomberg ISIN XS2692848208
 Maturity 22-Dec-30
 Valuation Date 30-Dec-24
 Note Provider Nomura
 Remaining Time to Maturity 4.79 *Duration since bond is not zero coupon*

Coupon 6.90%

Fixed Income Value 97.40%

	Scenario 1	Scenario 2	Scenario 3
Current Value	95.29%	95.29%	95.29%
ROP CDS	-0.91%	-0.04%	-0.05%
Nomura CDS	-5.19%	-1.02%	-0.37%
Fixed Income Level	89.19%	94.23%	94.87%

MTM Level 89.19% 94.23% 94.87%

7. Sun Grepa Global Asset Builder – (ProIncome 2)

Bloomberg ISIN XS2762688724
 Maturity 10-May-31
 Valuation Date 30-Dec-24
 Note Provider Nomura
 Remaining Time to Maturity 5.12 *Duration since bond is not zero coupon*

Coupon 6.80%

Fixed Income Value 97.40%



	Scenario 1	Scenario 2	Scenario 3
Current Value	98.74%	98.74%	98.74%
PHP NDS	-0.98%	-0.04%	-0.05%
ROP CDS	-5.56%	-1.10%	-0.39%
Nomura CDS	92.21%	97.60%	98.29%
Fixed Income Level	98.74%	98.74%	98.74%

MTM Level	92.21%	97.60%	98.29%
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8. Sun Grepa Global Asset Builder (ProIncome 3)

Bloomberg ISIN	XS2762770225		
Maturity	30-May-31		
Valuation Date	30-Dec-24		
Note Provider	Nomura		
Remaining Time to Maturity	5.18	<i>Duration since bond is not zero coupon</i>	
Coupon	6.80		
Fixed Income Value	98.36%		

	Scenario 1	Scenario 2	Scenario 3
Current Value	98.36%	98.36%	98.36%
ROP CDS	-0.99%	-0.04%	-0.05%
Nomura CDS	-5.62%	-1.11%	-0.40%
Fixed Income Level	91.75%	97.21%	97.91%
Current Value	98.36%	98.36%	98.36%

MTM Level	91.75%	97.21%	97.91%
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9. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2596306493		
Maturity	26-Mar-31		
Valuation Date	30-Dec-24		
Note Provider	ING		
Remaining Time to Maturity	4.96	<i>Duration since bond is not zero coupon</i>	
Coupon	6.90		
Fixed Income Value	88.67%		

	Scenario 1	Scenario 2	Scenario 3
Current Value	88.67%	88.67%	88.67%
PHP NDS	-5.21%	-1.17%	-2.94%
ROP CDS	-0.94%	-0.04%	-0.05%
ING CDS	-5.48%	-0.40%	-0.75%
Fixed Income Level	77.03%	87.06%	84.92%

MTM Level	77.03%	87.06%	84.92%
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10. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2647232495		
Maturity	30-Apr-31		
Valuation Date	30-Dec-24		
Note Provider	ING		
Remaining Time to Maturity	5.07	<i>Duration since bond is not zero coupon</i>	
Coupon	6.90		
Fixed Income Value	89.51%		

	Scenario 1	Scenario 2	Scenario 3
Current Value	89.51%	89.51%	89.51%
PHP NDS	-5.33%	-1.19%	-3.01%
ROP CDS	-0.97%	-0.04%	-0.05%
ING CDS	-5.60%	-0.41%	-0.77%
Fixed Income Level	77.62%	87.87%	85.68%

MTM Level	77.62%	87.87%	85.68%
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11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN XS2831036764
 Maturity 30-Jun-31
 Valuation Date 30-Dec-24
 Note Provider ING
 Remaining Time to Maturity 5.22 *Duration since bond is not zero coupon*
 Coupon 7.10

Fixed Income Value 90.01%

	Scenario 1	Scenario 2	Scenario 3
Current Value	90.01%	90.01%	90.01%
PHP NDS	-5.48%	-1.23%	-3.09%
ROP CDS	-0.99%	-0.04%	-0.05%
ING CDS	-5.76%	-0.42%	-0.79%
Fixed Income Level	77.78%	88.32%	86.07%

MTM Level 77.78% 88.32% 86.07%

12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN XS2831035790
 Maturity 17-Jul-31
 Valuation Date 30-Dec-24
 Note Provider ING
 Remaining Time to Maturity 5.26 *Duration since bond is not zero coupon*
 Coupon 7.10

Fixed Income Value 89.03%

	Scenario 1	Scenario 2	Scenario 3
Current Value	89.03%	89.03%	89.03%
PHP NDS	-5.52%	-1.24%	-3.12%
ROP CDS	-1.00%	-0.04%	-0.05%
ING CDS	-5.80%	-0.43%	-0.79%
Fixed Income Level	76.71%	87.33%	85.07%

MTM Level 76.71% 87.33% 85.07%

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN XS2831034470
 Maturity 6-Sep-31
 Valuation Date 30-Dec-24
 Note Provider ING
 Remaining Time to Maturity 5.36 *Duration since bond is not zero coupon*
 Coupon 7.10

Fixed Income Value 90.02%

	Scenario 1	Scenario 2	Scenario 3
Current Value	90.02%	90.02%	90.02%
PHP NDS	-5.63%	-1.26%	-3.18%
ROP CDS	-1.02%	-0.04%	-0.05%
ING CDS	-5.92%	-0.43%	-0.81%
Fixed Income Level	77.45%	88.28%	85.98%

MTM Level 77.45% 88.28% 85.98%



12. Reinsurance Assets

This account relates to the nonlife insurance business and consists of:

	2025	2024
Reinsurance recoverable on unpaid losses (Note 28)	₱7,645,495,129	₱13,693,992,453
Deferred reinsurance premiums (Note 28)	3,708,936,689	4,661,968,741
	₱11,354,431,818	₱18,355,961,194

Reinsurance recoverable on unpaid losses represents balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Deferred reinsurance premiums related to reinsurance premiums ceded that pertain to the unexpired periods at end of the reporting period.

13. Inventories

This account consists of:

	2025	2024
Merchandise:		
Automotive units	₱364,010,821	₱271,066,384
Parts, service materials and accessories	124,621,527	162,223,824
Others	506,588	762,396
	489,138,936	434,052,604
Less: Allowance for inventory obsolescence	30,806,617	35,738,515
	₱458,332,319	₱398,314,089

Merchandise includes automotive units, parts and accessories, food and beverages, bookstore inventory, among others.

Spare parts and supplies pertain to inventory items used in the repair and maintenance of the Group's property and equipment.

The Group recognizes inventory write-down whenever the net realizable value (NRV) of the existing inventories is lower than its cost. The cost of inventories with allowance for inventory obsolescence amounted to ₱30.81 million and ₱35.74 as of December 31, 2025 and 2024.

The rollforward of allowance for inventory obsolescence is as follows:

	2025	2024
Balance at beginning of year	₱35,738,515	₱35,966,255
Provision (Recoveries) (Note 33)	(4,931,898)	15,855,105
Write-off	-	(16,082,845)
Balance of impairment at end of year	₱30,806,617	₱35,738,515

No inventories were pledged as security to obligations as of December 31, 2025 and 2024.



14. Loans Receivable

This account consists of:

	2025	2024
Long-term commercial papers	₱1,277,839,183	₱1,117,501,332
Policy loans	895,193,466	740,695,715
Due from:		
Agents	26,654,361	23,566,818
Held for trust	21,244,766	22,710,757
GEM trust fund	962,325	7,855,950
Others	330,256,777	153,118,958
	2,552,150,878	2,065,449,530
Less: Allowance for impairment	13,407,425	5,865,171
	₱2,538,743,453	₱2,059,584,359

Long-term commercial papers pertain to the Group's investments in unquoted private debt securities and corporate notes with annual interest rates ranging from 5.85% to 7.26% and from 3.30% to 7.26% as of December 31, 2025 and 2024, respectively, and maturities ranging from 2026 to 2035 and 2025 to 2031 as of December 31, 2025 and 2024, respectively.

Policy loans pertain to interest-bearing loans granted to policyholders. The policyholders' cash surrender values on their life insurance policies serve as collateral on the loans. Interest charged on these loans is at 6%-8% per annum on Peso and US Dollar loans, equivalent to the ceiling rates mandated by the IC.

The rollforward of allowance for impairment of loans receivable is as follows:

	2025	2024
Balance at beginning of year	₱5,865,171	₱6,200,460
Provisions (recovery)	7,542,254	(335,289)
Balance at end of year	₱13,407,425	₱5,865,171

15. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Prepaid expenses	₱504,478,921	₱469,490,572
CWT	198,070,086	212,708,816
Security deposits	86,759,336	74,797,104
Unused supplies	34,446,870	27,313,715
Input VAT	31,931,056	65,480,317
Prepaid taxes	18,077,410	12,324,729
Short-term investments	9,341,643	6,249,369
Others	148,588,453	209,228,163
	1,031,693,775	1,077,592,785
Less allowance for impairment	8,690,513	8,690,513
	₱1,023,003,262	₱1,068,902,272



Prepaid expenses mainly include prepayments for membership fees, subscriptions, rentals and insurance, among others.

CWT pertains to unutilized creditable withholding tax which will be used as tax credit against income taxes due. CWTs classified as current are assessed to be utilized the following year.

Security deposits mainly represent the Group's refundable rental, utilities and guarantee deposits on various machinery and equipment items.

Short-term investments earn interest at the prevailing investment rates and have maturity of more than 3 months but less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects.

Others include various deposits and other supplies, among others.

Movements in allowance for impairment for the years ended December 31 are shown below:

	2025			
	Security deposits	Advances to officers and employees	Advances to suppliers and subcontractors	Total
Balance at beginning of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197
Reversal of ECL	(41,265,425)	-	(5,439,259)	(46,704,684)
Balance at end of year	₱-	₱1,035,813	₱7,654,700	₱8,690,513

	2024			
	Security deposits	Advances to officers and employees	Advances to suppliers and subcontractors	Total
Balance at beginning of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197
Reversal of ECL	(41,265,425)	-	(5,439,259)	(46,704,684)
Balance at end of year	₱-	₱1,035,813	₱7,654,700	₱8,690,513

16. Financial Assets

A. Financial assets at fair value through profit or loss (FVTPL)

This account consists of:

	2025	2024
Unquoted debt securities	₱7,810,204,673	₱5,886,745,147
Mutual funds	816,674,892	637,948,468
Seed capital in VUL segregated funds (Note 11)	581,219,839	545,856,657
Listed equity shares	540,424,745	466,425,227
Private debt securities	333,850,321	272,664,770
Government securities	234,820,222	93,750,471
	₱10,317,194,692	₱7,903,390,740

Unquoted debt securities are with embedded derivatives features such as credit linked notes and foreign currency swap amounting to ₱7.81 billion and ₱5.89 billion in 2025 and 2024, respectively, and are designated as financial assets at FVTPL. These investments are all denominated in local



currency with interest rates ranging from 6.0% to 8.7% in 2025 and 2024. These credit-linked notes will expire in 2029 and 2033.

The Company invests in mutual funds in which fair values are determined based on published net asset value per share (NAVPS). NAVPS is computed as total assets of the fund less total liabilities over the total shares outstanding as of the end of the reporting period. The funds are primarily invested in quoted securities in various industries and quoted government securities.

Seed capital in variable unit-linked segregated funds is the initial funding that allows Exchange-traded Funds (ETFs) to launch and become available to investors.

Private debt securities consist of fixed term debt instruments with annual interest rates ranging from 3.00% to 8.13% and from 3.50% to 8.13% in 2025 and 2024, respectively. These instruments have maturities ranging from 2026 to 2069 and 2025 to 2069 as of December 31, 2025 and 2024, respectively.

Government securities pertain to the Philippine government treasury bills with fair value of ₱234.82 million and ₱93.75 million as of December 31, 2025, and 2024, respectively, and are all maturing within 12 months from the reporting date.

The rollforward of financial assets at FVTPL is as follows:

	2025	2024
Balance at beginning of year	₱7,903,390,740	₱6,422,981,790
Addition	4,404,979,676	2,117,011,274
Disposal	(2,206,897,240)	(628,345,588)
Effect of foreign currency	26,678,605	-
Fair value gains (losses)	189,042,911	(8,256,736)
Balance at end of year	₱10,317,194,692	₱7,903,390,740

The calculated range of fair values are based on the following combination of inputs/ methodologies:

- Underlying index's volatility
- Reference entity's credit risk
- Discount rate

B. Financial assets at fair value through other comprehensive income (FVOCI)

This account consists of:

	2025	2024
Quoted shares	₱24,885,479,838	₱23,736,363,719
Unquoted shares	2,104,953,475	1,813,779,216
	₱26,990,433,313	₱25,550,142,935



Movement in the fair value reserve recognized in other comprehensive income (net of tax effect) are follows:

	2025	2024
Attributable to equity holders of the parent:		
Balance at beginning of year	(P352,644,065)	(P47,667,218)
Income (loss) recognized in OCI	483,224,127	(324,275,403)
Reclassification	-	(60,859,563)
Acquisition (disposal)	(62,103,043)	80,158,119
Expected credit losses	5,621,473	-
Balance at end of year	P74,098,492	(P352,644,065)
Non-controlling interests:		
Balance at beginning of year	250,183,400	323,604,683
Gain (loss) recognized in OCI	371,644,980	(73,421,283)
Balance at end of year	621,828,380	250,183,400
	P854,869,107	(P397,696,686)

Dividend earned from equity investments at FVOCI amounted to P5.07 million, P7.26 million, and P0.82 million in 2025, 2024 and 2023, respectively (see Note 32).

No equity investments at FVOCI were pledged as security to obligations as of December 31, 2025 and 2024.

C. Investment securities at amortized cost

This account consists of:

	2025	2024
Government debt securities	P5,013,472,605	P4,113,571,760
Private debt securities	268,611,815	265,730,379
	P5,282,084,420	P4,379,302,139

Government debt securities include fixed rate treasury notes, retail treasury bonds and ROPs that bear interest rates per annum ranging from 1.65% to 8.00% and from 2.38% to 8.00% in 2025 and 2024, respectively, and have maturities ranging from 2026 to 2044 and 2025 to 2044 as of December 31, 2025 and 2024, respectively.

Private debt securities consist of fixed term debt instruments with annual interest rates ranging from 5.13% and 7.26% and from 5.13% to 5.50% in 2025 and 2024, respectively, and have maturities ranging from 2026 to 2035 and 2025 to 2029 as of December 31, 2025 and 2024, respectively.

No investment securities at amortized cost were pledged as security to obligations as of December 31, 2025 and 2024.

17. Assets Held for Sale

As at December 31, 2023, the Group classified 4.5% interest in EEI as “Asset Held for Sale” and remeasured at fair value less cost of disposal of P337.38 million. The transaction was accounted as noncash investing activity in the 2023 parent company statement of cash flows. The asset was subsequently sold on January 5, 2024.



18. Investments in Associates and Joint Ventures

The Group's associates and joint venture accounted for using the equity method as of December 31 follows:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2025	2024
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC) *	Philippines	Renewable energy	Philippine peso	30.57	30.57
Manila Memorial Park Cemetery, Inc. (MMPC)	Philippines	Funeral service	Philippine peso	26.48	26.48
Sojitz G Auto Philippines Corporation (SGAPC)	Philippines	Automotive distributor	Philippine peso	20.00	20.00
RCBC Realty Corporation (RRC)	Philippines	Realty	Philippine peso	10.00	10.00
EEI Corporation**	Philippines	Construction	Philippine peso	–	–

*In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%

** Deconsolidated in 2023 and reclassified as an equity investment at fair value through other comprehensive income (FVOCI) in 2024.

The rollforward analysis of this account follows:

	2025	2024
<i>Acquisition cost:</i>		
Balance at beginning of year	₱2,845,785,250	₱4,281,066,470
Additions	40,000,000	174,432,352
Disposal	–	(567,739,070)
Reclassification	–	(1,041,974,502)
Balance at end of year	2,885,785,250	2,845,785,250
Accumulated impairment loss	(364,312,330)	(364,312,330)
<i>Accumulated equity in net earnings:</i>		
Balance at beginning of year	2,363,064,264	2,092,762,160
Equity in net earnings	331,509,408	81,479,896
Dividend received	(86,494,443)	(82,958,771)
Reclassification	–	271,780,979
Balance at end of year	2,608,079,229	2,363,064,264
<i>Share in other comprehensive gain (loss) of an associate:</i>		
Cumulative translation adjustments	35,002,552	35,002,552
Remeasurement gain (loss) on retirement liability	(7,955,357)	(5,740,974)
Revaluation increment	291,540	–
Changes in fair value of investments carried at FVOCI	645,769	511,112
	27,984,504	29,772,690
	₱5,157,536,653	₱4,874,309,874

EEI

As disclosed on Note 6, the Parent Company sold 20% investment holdings in EEI resulting to loss of control over the subsidiary. The remaining investment of 35.34% was accounted for as an investment in associate. Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI.



Proceeds from the sale amounted to ₱1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

As of December 31, 2023, the Parent Company classified 4.5% interest in EEI as "Asset Held for Sale" and remeasured at ₱337.38 million. The transaction was accounted as noncash investing activity in the 2023 consolidated statement of cash flows. The asset was subsequently sold on January 5, 2024. On February 23, 2024, the Parent Company sold another 1.5% interest in EEI. As of December 31, 2025 and 2024, the Parent Company's investment in EEI is classified as financial assets at FVOCI.

RRC

RRC was incorporated on July 29, 1997 and is presently engaged in developing real estate and leasing condominium units for commercial and/or residential purposes.

PERC

In April 2019, the Parent Company purchased additional 4,153,651 shares of PERC, an entity listed with PSE, amounting to ₱17.8 million, resulting to an increase in ownership interest from 28.36% to 29.10%. In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%.

Its share price amounted to ₱3.50 and ₱4.95 per share as of December 31, 2025 and 2024, respectively.

MMPC

MMPC was incorporated and registered with the SEC on September 26, 1962 primarily to engage in development and sale of memorial lots.

SGAPC

On February 26, 2025, the Parent Company infused additional capital of ₱40.00 million to SGAPC.

At the end of the year, the Parent Company recognized impairment loss for its investments in Sojitz G Auto Philippines Corp amounting to ₱25.49 million.

As of December 31, 2025 and 2024, no investments in associates were pledged as security to obligations.

The details of significant investments accounted for under the equity method are as follows:

(Amounts in millions)

	2025				
Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
Balance, January 1	₱24	₱120	₱1,018	₱190	₱923
Additions	-	-	-	40	-
Impairment	-	-	-	-	-
Deconsolidation	-	-	-	-	-
Balance, December 31	₱24	₱120	₱1,018	₱230	₱923
Accumulated equity in net earnings (losses):					
Balance, January 1	₱200	₱923	₱569	(₱190)	₱929
Equity in net earnings (losses)	44	123	65	42	57
Deconsolidation	-	-	-	-	-
Dividends declared	(25)	(19)	(33)	-	(9)
Balance, December 31	₱219	₱1,027	₱601	(₱148)	₱977
Subtotal	₱243	₱1,147	₱1,619	₱82	₱1,900

(Forward)



	2025				
Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
Accumulated share in other comprehensive income:					
Balance, January 1	₱-	₱-	₱1	₱-	(₱6)
Deconsolidation	-	-	-	-	-
Share in other comprehensive income (loss)	-	-	-	-	(2)
Balance, December 31	₱-	₱-	₱1	₱-	(₱8)
Equity in cumulative translation adjustments	-	-	-	-	35
	₱	₱1,147	₱1,620	₱82	₱1,927

	2025				
	HEPI	MMP	RRC	SGAP	PERC
Net asset before adjustments	₱494	₱4,022	₱3,923	₱73	₱14,181
Adjustments	(7)	325	12,254	339	(7,804)
Net assets	₱487	₱4,347	₱16,177	₱412	₱6,377
Proportionate ownership in the associate	50%	26%	10%	20%	31%
Share in net identifiable assets	₱244	₱1,146	₱1,618	₱82	₱1,947
Carrying value	₱244	₱1,146	₱1,618	₱82	₱1,947

	2024				
Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
Balance, January 1	₱24	₱120	₱1,018	₱50	₱889
Additions	-	-	-	140	34
Impairment	-	-	-	-	-
Deconsolidation	-	-	-	-	-
Balance, December 31	₱24	₱120	₱1,018	₱190	₱923
Accumulated equity in net earnings (losses):					
Balance, January 1	₱193	₱835	₱512	(₱44)	₱936
Equity in net earnings (losses)	32	107	87	(146)	2
Deconsolidation	-	-	-	-	-
Dividends declared	(25)	(19)	(30)	-	(9)
Balance, December 31	₱200	₱923	₱569	(₱190)	₱929
Subtotal	₱224	₱1,043	₱1,587	₱-	₱1,852
Accumulated share in other comprehensive income:					
Balance, January 1	₱-	₱-	₱-	₱-	₱1
Deconsolidation	-	-	-	-	-
Share in other comprehensive income (loss)	-	-	1	-	(7)
Balance, December 31	₱-	₱-	₱1	₱-	(₱6)
Equity in cumulative translation adjustments	-	-	-	-	35
	₱224	₱1,043	₱1,588	₱-	₱1,881
Net asset before adjustments	₱447	₱3,658	₱3,616	(₱339)	₱14,060
Adjustments	2	277	11,648	339	(8,001)
Net assets	₱449	₱3,935	₱15,264	₱-	₱6,059
Proportionate ownership in the associate	50%	26%	10%	20%	31%
Share in net identifiable assets	₱225	₱1,023	₱1,526	₱-	₱1,878
Carrying value	₱225	₱1,023	₱1,526	₱-	₱1,878

Summarized financial information of the Group's significant associates and joint venture are as follows:

(Amounts in millions)

	2025				
	RRC	PERC	HEPI	MMPC	SGAPC
Current assets	₱623	₱3,611	₱782	₱2,913	₱100
Noncurrent assets	5,914	22,073	47	2,798	-
Total assets	₱6,537	₱25,684	₱829	₱5,711	₱100
Current liabilities	₱1,346	₱2,975	₱335	₱1,295	₱27
Noncurrent liabilities	1,258	8,607	-	414	-
Total liabilities	₱2,604	₱11,582	₱335	₱1,709	₱27
Revenues	₱1,815	₱3,724	₱766	₱1,050	₱-
Cost	-	2,156	261	127	(54)

(Forward)



	2025				
	RRC	PERC	HEPI	MMPC	SGAPC
Gross margin	₱1,815	₱1,568	₱505	₱923	₱54
Selling and administrative, and other expenses	989	409	401	522	62
Pre-tax income (loss)	₱826	₱1,159	₱104	₱401	(₱8)
Proportionate ownership in the associate	10%	30.57%	50%	26.48%	20%
Share in pre-tax income (loss)	83	354	52	106	(2)
Income tax (benefit)	(17)	(28)	(16)	(41)	(1)
Non-controlling interest	893	869	69	408	(3)
Equity in net earnings (losses)	₱99	₱383	₱69	₱147	(₱1)
Dividends received	₱33	₱9	₱25	₱19	₱-

	2024				
	RRC	PERC	HEPI	MMPC	SGAPC
Current assets	₱762	₱4,598	₱835	₱2,609	₱132
Noncurrent assets	5,862	18,762	59	2,636	35
Total assets	₱6,624	₱23,360	₱894	₱5,245	₱167
Current liabilities	₱1,267	₱2,233	₱446	₱1,180	₱506
Noncurrent liabilities	1,751	7,510	-	472	-
Total liabilities	₱3,018	₱9,743	₱446	₱1,652	₱506
Revenues	₱2,085	₱3,447	₱696	₱919	₱2,317
Cost	-	(1,809)	(197)	(104)	(2,359)
Gross margin	2,085	1,638	499	815	(42)
Selling and administrative, and other expenses	(1,031)	(645)	(403)	(330)	(540)
Pre-tax income (loss)	₱1,054	₱993	₱96	₱485	(₱582)
Proportionate ownership in the associate	10%	30.57%	50%	26%	20%
Share in pre-tax income (loss)	105	304	48	122	210
Income tax (benefit)	(188)	(104)	(30)	(57)	(104)
Non-controlling interest	-	(402)	-	-	-
Equity in net earnings (losses)	₱87	₱163	₱32	₱107	(₱146)
Dividends received	₱30	₱9	₱25	₱19	₱-

Other relevant financial information of HEPI are as follows:

	2025	2024
Cash and cash equivalents	₱168,031,836	₱176,546,128
Current financial liabilities *	23,885,149	23,695,584
Noncurrent financial liabilities *	-	-
Depreciation and amortization	-	-
Interest income	2,161,324	3,028,714
Interest expense	-	-

*Excluding trade and other payables and provisions

Other relevant financial information of RRC are as follows:

	2025	2024
Cash and cash equivalents	₱319,485,821	₱610,754,046
Current financial liabilities *	1,083,756,473	999,272,820
Noncurrent financial liabilities *	1,246,568,890	1,762,921,840
Depreciation and amortization	244,480,712	216,177,227
Interest income	28,335,121	33,415,030
Interest expense	106,747,824	140,119,940

*Excluding trade and other payables and provisions



Other relevant financial information of PERC are as follows:

	2025	2024
Cash and cash equivalents	₱1,791,277,549	₱2,770,469,655
Current financial liabilities *	1,787,509,891	1,323,413,409
Noncurrent financial liabilities *	8,607,447,571	7,510,710,099
Depreciation and amortization	959,084,184	740,674,687
Interest income	118,549,845	191,203,364
Interest expense	654,118,439	555,725,055

**Excluding trade and other payables and provisions*

Other relevant financial information of MMPC are as follows:

	2025	2024
Cash and cash equivalents	₱130,233,545	₱322,196,768
Current financial liabilities *	59,844,816	45,619,964
Noncurrent financial liabilities *	414,176,110	162,716,262
Depreciation and amortization	89,123,368	58,690,751
Interest income	238,058,803	228,654,877
Interest expense	8,653,323	3,496,762

**Excluding trade and other payables and provisions*

Other relevant financial information of SGAPC are as follows:

	2025	2024
Cash and cash equivalents	₱96,844,259	₱84,597,453
Current financial liabilities *	1,338,367	484,775,000
Depreciation and amortization	149,557	109,503,317
Interest income	103,822	122,006
Interest expense	9,439,068	85,906,040

**Excluding trade and other payables and provisions*

19. Investment Properties

The rollforward analysis of this account follows:

	2025	2024
<i>Cost:</i>		
Balance at beginning of year	₱13,069,905,939	₱11,010,049,133
Additions	5,763,110	145,556,063
Reclassification	-	1,915,467,631
Disposals	-	(1,166,888)
Balance at year end	13,075,669,049	13,069,905,939
<i>Accumulated depreciation:</i>		
Balance at beginning of year	674,521,895	185,660,228
Depreciation	106,742,352	245,352,203
Reclassification	-	243,509,464
Balance at year end	781,264,247	674,521,895
	₱12,294,404,802	₱12,395,384,044



Properties classified as investment properties include the following:

- Parcel of land located in Makati owned by SLRHSI with the carrying value of ₱1,763.30 million.
- Parcel of land, building and building improvements in Quezon City owned by the Parent with the carrying value of ₱1,597.53 million.
- Parcel of land, building, building improvements and machinery and equipment situated in Taguig City owned by ATYC with carrying value of ₱5,914.06 million.
- Parcel of land located in Tarlac with carrying value of ₱2.67 billion acquired by the Group in 2023. The acquisition includes cash paid in 2023 amounting to ₱534.63 million and the balance for installment payment and is treated as noncash investing activity in the 2023 consolidated statement of cashflow. As of December 31, the installment payable consist of the following:

	2025	2024
Current	₱757,448,262	₱1,340,936,496
Noncurrent	–	757,448,262
	₱757,448,262	₱2,098,384,758

As of December 31, 2025, the aggregate fair values of land amounted to ₱23.90 billion, which was determined based on valuation performed by an independent SEC accredited appraiser in 2025. The fair value of the land was determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, and shape (Level 3 – Significant unobservable inputs).

In July 2024, the land and building improvements located in Quezon City, which was previously recognized under Property and Equipment, was reclassified to Investment Property account amounting to ₱1.56 billion. The related revaluation increment amounting to ₱1.04 billion remains to be in the other comprehensive income.

Rental income derived from the investment properties amounted to ₱949.42 million, ₱873.53 million, and ₱767.46 million in 2025, 2024 and 2023, respectively. Total direct expenses incurred in relation to these investment properties amounted to ₱309.52 million, ₱283.80 million, and ₱271.15 million in 2025, 2024 and 2023, respectively.

None of the investment properties were pledged as a security to obligations as of December 31, 2025 and 2024.

20. Property and Equipment

Property and equipment at revalued amount

Movements in the revalued land are as follows:

	2025	2024
Balance at beginning of year	₱15,015,152,509	₱15,469,825,819
Change in revaluation increment	1,111,324,580	1,101,121,690
Disposals/retirement	(75,076,000)	–
Reclassification (Note 19)	–	(1,555,795,000)
Balance at end of year	₱16,051,401,089	₱15,015,152,509



Land at revalued amounts consists of owner-occupied property wherein the school buildings, car dealership showroom, and other facilities are located.

As of December 31, 2025 and 2024, the appraised values of the parcels of land were determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, shape and terrain and location among others. The significant unobservable valuation input is price per square meter (level 3 – Significant unobservable inputs). The parcels of land were valued in terms of their highest and best use. The valuation was performed by an independent SEC-accredited appraiser as of December 31, 2025.

In 2025, 2024 and 2023, the Group revalued its land based on the appraisals made by SEC accredited appraisers. As of December 31, 2025 and 2024, the cost of the parcels of land carried at revalued amounts amounted to ₱4.28 billion and ₱4.23 billion, respectively.

Below is a listing of the properties owned by the Group together with the description of the valuation techniques used and key inputs to valuation of land:

Location	Valuation Techniques	Unobservable Inputs Used	Range (Weighted Average)	
			2025	2024
Makati and Intramuros, Manila	Market Approach	Price per square meter	₱139,098 to ₱153,900	₱132,098 to ₱261,630
Cabuyao, Laguna	Market Approach	Price per square meter	₱15,400 to ₱18,200	₱15,000 to ₱17,700
Davao City, Davao Del Sur	Market Approach	Price per square meter	₱46,800 to ₱64,125	₱40,950 to ₱63,000
Pandacan, Metro Manila	Market Approach	Price per square meter	₱146,000 to ₱163,000	₱132,300 to ₱156,400
San Jose Del Monte City, Bulacan	Market Approach	Price per square meter	₱56,745 to ₱64,890	₱57,915 to ₱61,506
Naga City, Camarines Sur	Market Approach	Price per square meter	₱31,500 to ₱45,000	₱25,175 to ₱47,500
Quiapo, Manila	Market Approach	Price per square meter	₱214,500 to ₱285,700	₱211,500 to ₱261,000
Anglionto Sr., Davao City	Market Approach	Price per square meter	₱72,000/sq.m to ₱84,645/sq.m	₱72,000/sq.m to ₱84,645/sq.m
Bacolod, Negros Occidental*	Market Approach	Price per square meter	–	₱42,075/sq.m to ₱56,100/sq.m

*The property was sold in 2025

Adjustment factors arising from external and internal factors (i.e., location, size, and road frontage) affecting the subject properties as compared to the market listing of comparable properties, ranges from -30% to +15% in 2025 and 2024.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the land.



Property and equipment at cost

The rollforward analysis of this account follows:

	2025	2024
<i>Cost</i>		
Balance at beginning of year	₱17,121,826,024	₱14,768,125,104
Additions	2,892,093,305	3,294,740,976
Disposals/Retirements	(296,132,289)	(19,135,943)
Transfers/Reclassification	(5,331,959)	1,965,027
Reclassification to investment property	-	(286,431,124)
Spin-off	-	(637,438,016)
Balance at end of year	19,712,455,081	17,121,826,024
<i>Accumulated Depreciation and Amortization</i>		
At beginning of year	8,084,579,562	7,694,596,350
Depreciation and amortization	702,222,416	1,160,123,694
Disposals/retirements	(31,499,488)	(14,921,024)
Transfers/reclassifications	(45,856,257)	(755,219,458)
Balance at end of year	8,709,446,233	8,084,579,562
Net book value	₱11,003,008,848	₱9,037,246,462

	2025					Total
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	
<i>Cost</i>						
Balance at beginning of year	₱5,854,300,800	₱1,958,068,588	₱630,041,492	₱5,151,478,359	₱3,527,936,785	₱17,121,826,024
Acquisitions	166,078,695	77,946	96,486,154	476,753,004	2,152,697,506	2,892,093,305
Disposals/Retirements	(241,426,519)	-	(47,284,657)	(7,421,113)	-	(296,132,289)
Transfer/Reclassifications	469,646	-	-	(1,856,136)	(3,945,469)	(5,331,959)
Balance at end of year	5,779,422,622	1,958,146,534	679,242,989	5,618,954,114	5,676,688,822	19,712,455,081
<i>Accumulated Depreciation and Amortization</i>						
Balance at beginning of year	3,361,186,157	106,299,571	483,675,070	4,133,418,764	-	8,084,579,562
Depreciation and amortization (Note 34)	282,094,506	488,060	55,190,350	364,449,500	-	702,222,416
Disposals/retirements	(2,471,532)	-	(24,639,167)	(4,388,789)	-	(31,499,488)
Transfers/Reclassifications	(50,179,228)	-	(4,230,737)	8,553,708	-	(45,856,257)
Balance at end of year	3,590,629,903	106,787,631	509,995,516	4,502,033,183	-	8,709,446,233
Net Book Value at Cost	₱2,188,792,719	₱1,851,358,903	₱169,247,473	₱1,116,920,931	₱5,676,688,822	₱11,003,008,848

	2024					Total
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	
<i>Cost</i>						
Balance at beginning of year	₱5,807,387,479	₱1,869,634,524	₱641,410,846	₱4,625,124,913	₱1,824,567,342	₱14,768,125,104
Acquisitions	659,089,536	88,434,064	176,967,511	650,687,584	1,719,562,281	3,294,740,976
Disposals/Retirements	(217,000)	-	(9,334,438)	(9,584,505)	-	(19,135,943)
Transfer/Reclassifications	11,053,508	-	(15,475)	(126,072)	(8,946,934)	1,965,027
Reclassification to investment property	(286,431,124)	-	-	-	-	(286,431,124)
Spin-off	(336,581,599)	-	(178,986,952)	(114,623,561)	(7,245,904)	(637,438,016)
Balance at end of year	5,854,300,800	1,958,068,588	630,041,492	5,151,478,359	3,527,936,785	17,121,826,024
<i>Accumulated Depreciation and Amortization</i>						
Balance at beginning of year	3,350,086,172	20,398,648	528,177,024	3,795,934,507	-	7,694,596,350
Depreciation and amortization (Note 34)	517,811,511	85,900,923	120,848,675	435,562,584	-	1,160,123,694
Disposals/retirements	-	-	(5,095,659)	(9,825,365)	-	(14,921,024)
Transfers/Reclassifications	15,886	-	(384,100)	17,527,649	-	17,159,435
Reclassification to investment property	(241,709,156)	-	-	-	-	(241,709,156)
Spin-off	(265,018,256)	-	(159,870,870)	(105,780,611)	-	(530,669,737)
Balance at end of year	3,361,186,157	106,299,571	483,675,070	4,133,418,764	-	8,084,579,562
Net Book Value at Cost	₱2,493,114,643	₱1,851,769,017	₱146,366,422	₱1,018,059,595	₱3,527,936,785	₱9,037,246,462



The distribution of the depreciation and amortization expenses of the Group's property and equipment follows:

	2025	2024	2023
Cost of sales and services			
Tuition and other fees	₱500,484,590	446,139,401	353,081,000
Manpower and other services	127,875,935	123,103,981	7,610,414
	628,360,525	569,243,382	360,691,414
General and administrative expenses (Note 33)	393,037,245	368,410,288	115,531,208
Deconsolidated operation	-	-	116,311,960
	₱1,021,397,770	₱937,653,670	₱592,534,582

Gain on sale of property and equipment follows:

	2025	2024	2023
Continued operation	₱65,484,361	₱13,147,803	₱5,030,534
Deconsolidated operation	-	-	352,698
	₱65,484,361	₱13,147,803	₱5,383,232

21. Deferred Acquisition Costs - net

The details of deferred acquisition costs follow:

	2025	2024
Balance at beginning of year	₱527,720,153	₱484,882,750
Cost deferred during the year	1,413,550,304	1,353,693,845
Amortized during the year	(1,440,337,798)	(1,310,856,442)
Balance at end of year	₱500,932,659	₱527,720,153

The details of deferred reinsurance commissions follow:

	2025	2024
Balance at beginning of year	₱245,799,378	₱246,152,402
Income deferred during the year	562,363,244	550,174,053
Amortized during the year	(566,860,277)	(550,527,077)
Balance at end of year	₱241,302,345	₱245,799,378

22. Leases

Group as a lessor

IPO's Intramuros and Makati campuses lease spaces to Digital Telecommunications Philippines or Digitel, IMI and Bell Telecommunication Philippines, Inc. The lease terms cover lease periods of between three (3) years to ten (10) years with escalation rates ranging from 3.00% to 10.00%.

ATYC entered into lease agreements as a lessor covering office and parking spaces renewable by mutual agreement of both parties generally under the same terms and conditions. The lease period ranges from three (3) to ten (10) years with annual escalation clauses ranging from 5% to 6%.



The future minimum rentals receivable under the aforementioned lease agreements follow:

	2025	2024
Within one year	₱630,275,871	₱516,885,863
More than one year but not more than five years	677,124,575	821,952,462
Later than five years	57,173,714	10,239,175
	₱1,364,574,160	₱1,349,077,500

Group as a lessee

The Group has lease contracts for various items of land, improvements, office spaces, warehouses, school sites and annexes and other equipment used in its operations, among others. Leases of land, improvements and school sites generally have lease terms between 2 and 66 years, while other equipment generally have lease terms between 1 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

- a. The Parent Company's lease contract term is one (1) year and includes renewal option for another year subject to mutual agreement of the lessee and lessor. Management exercises significant judgement in determining whether the renewal option is reasonably certain to be exercised.
- b. IPO leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from one to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease term of one year or less.
- c. Landev Corporation entered into lease agreements that are renewable upon mutual agreement of Landev Corporation and the lessors:

Lessor	Commencement date	Term	Monthly Rental
Frame Properties, Inc.	May 25, 2024	3 years	660,478*
RCBC Realty Corporation	September 1, 2025	3 years	581,690
Grepa Realty Holdings Corporation	January 1, 2025	1 year	335,711*
Frame Properties, Inc.	July 25, 2023	3 years	233,218*
Grepa Realty Holdings Corporation	January 1, 2025	1 year	19,448
Frame Properties, Inc.	January 1, 2025	1 year	18,022
Grepa Realty Holdings Corporation	January 1, 2025	1 year	12,701
Grepa Realty Holdings Corporation	January 1, 2025	1 year	7,698*
Grepa Realty Holdings Corporation	January 1, 2025	1 year	5,209

*subject to 5% annual escalation rate

Rent expense recognized in 2025, 2024 and 2023 amounted ₱5.60 million, ₱13.22 million, and ₱7.5 million, respectively.

Future minimum lease payments of above lease agreements as at December 31 are as follows:

	2025	2024
Within one year	₱12,651,999	₱11,135,885
After one year but not more than five years	13,253,068	4,161,011
	₱25,905,067	₱15,296,896



- d. The Greyhounds Security and Investigation Agency Corporation entered into an agreement with Grepa Realty Holdings Corporation (GRHC) for the lease of office space. The lease is renewable annually upon mutual agreement by both parties. Rent expense recognized in 2025, 2024 and 2023 amounted to ₱1.30 million, ₱0.81 million, and ₱0.64 million respectively.
- e. In 2011, IMI entered into lease agreements with Mapua Information Technology Centers, Inc., Malayan Colleges, Inc. and Malayan High School of Science for canteen spaces. In 2016, the Company started to lease a canteen space from Malayan Colleges Laguna, Inc. In 2022, another canteen space started to lease from Malayan Colleges Mindanao. The Company subleases its leased canteen spaces from the aforementioned related parties to third-party lessees for a period ranging from six (6) months to one (1) year. These sublease agreements are renewable based on mutual agreement of both parties.
- f. Hexagon Lounge, Inc. entered into a lease agreement for the lounge and office space it occupies. The lease is renewable annually as may be mutually agreed upon by the parties with monthly minimum lease payments of ₱10,000 or 2% of net restaurant sales, whichever is higher.
- g. SLGFI has lease contracts for its branch office premises for a period of 3 years renewable by mutual agreement of the parties at the end of term of the lease.

The carrying amount of right-of-use assets and the movements for the years ended December 31 follow:

	2025	2024
Balance at beginning of year	₱610,840,289	₱486,018,030
Additions	382,459,709	398,330,404
Pre-termination/expiration	–	(58,019,278)
Derecognition/adjustments	(83,173,941)	(41,994,089)
Amortization of right-of-use asset	(178,463,298)	(173,494,778)
Balance at end of year	₱731,662,759	₱610,840,289

In 2025, the carrying amounts of leased land, land improvements and sites, building, office spaces and warehouses and other equipment are ₱335.01 million, ₱140.93 million and ₱10.01 million, respectively.

In 2024, the carrying amounts of leased land, land improvements and sites, building, office spaces and warehouses and other equipment are ₱335.01 million, ₱140.93 million and ₱10.01 million, respectively.

The distribution of the amortization of the Group's right-of-use assets follow:

	2025	2024	2023
Cost of sales and services			
Cost of services	₱29,602,124	₱18,091,484	₱–
Tuition and other fees	51,452,815	53,284,557	60,220,636
	81,054,939	71,376,041	60,220,636
General and administrative expenses	97,408,359	244,777,296	53,184,297
	₱178,463,298	₱316,153,337	₱113,404,933



The carrying amount of lease liability and the movements for the years ended December 31 follow:

	2025	2024
Balance at beginning of year	₱730,396,291	₱607,983,302
Interest expense	46,066,974	51,192,938
Additions	346,869,615	424,437,016
Derecognition	–	(160,469,948)
Payments	(282,640,574)	(192,747,017)
Balance at end of year	840,692,306	730,396,291
Less: Current portion	150,345,529	167,708,899
Noncurrent portion	₱690,346,777	₱562,687,392

Derecognition pertains to termination of lease contracts of closed car dealership branches. The difference between right-of-use asset and lease liability is accounted for under miscellaneous expense of General and administrative expenses in the consolidated statement of income (Note 32).

The following are the amounts recognized in consolidated statement of income:

	2025	2024	2023
Amortization of right-of-use assets under general and administrative expenses	₱97,408,359	₱244,777,296	₱53,184,298
Amortization of right-of-use assets under cost of sales and services	81,054,940	71,376,041	60,220,636
Expenses relating to short-term leases	47,459,112	46,355,625	36,460,000
Interest expense on lease liabilities	46,066,974	51,192,938	40,769,409
	₱271,989,385	₱413,701,900	₱190,634,343

Shown below is the maturity analysis of the undiscounted lease payments for years ended December 31 as follow:

	2025	2024
Within one year	₱192,744,993	₱177,129,758
After one year but not more than five years	831,562,610	473,747,854
Five years and more	236,911,836	165,088,839
Total	₱1,261,219,439	₱815,966,451

23. Goodwill

The carrying amount of goodwill allocated to each of the CGUs follows:

	2025	2024
MESI	₱137,583,345	₱137,583,345
IPO	32,644,808	32,644,808
Business combination of IPO and AEI	5,948,111	5,948,111
	₱176,176,264	₱176,176,264



Goodwill of MESI and IPO

The goodwill recognized in the consolidated statement of financial position amounting ₱137.85 million as at December 31, 2025 and 2024 pertains to the excess of the acquisition cost over the fair values of the net assets of MESI acquired by the Group through IPO in 1999.

In 2025 and 2024, Management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation

The Group performed impairment testing on goodwill arising from acquisition of MESI wherein MESI was considered as the CGU. No impairment testing was done on the goodwill from business combination of IPO and AEI amounting to ₱13.5 million goodwill as the Group assessed it as not material to the consolidated financial statements. In 2025, 2024 and 2023, management assessed that no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation

As at December 31, 2025 and 2024, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering a five-year period.
- Long-term growth rates (4.66% for 2023 and 5.79% for 2022). The long-term growth rate considers the historical growth rate of MESI and the long-term growth rate for the education industry sector.
- Discount rate (11.4% for 2023 and 14% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

In 2025 and 2024, management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of CGU to which the goodwill was attributed to materially exceed its recoverable amount.

Goodwill arising from Business Combination

With the effectivity of the merger on May 2, 2019 between IPO and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), IPO became 48.18% owned by HI and 33.5% owned by AC.

As a result of the merger, IPO issued to AC an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3,591.21 million based on IPO's quoted closing rate per share as of May 2, 2019 in exchange for the transfer of the net assets of AEI. The excess of the fair value of shares issued over the par value was recognized as additional paid-in capital.



The IPO Group recognized the following intangible assets in 2019 as a result of the merger (amount in thousands):

Intellectual property rights	₱523,103
Student relationship	116,009
Goodwill	13,472
	₱652,584

Intellectual property rights have infinite life and the student relationship have an estimated useful life of 5 years to 7 years based on the contractual relationship between the school entities and its students. These assets are attributed from the acquisition of operating schools NTC, APEC and UNC.

Intellectual property rights

As of December 31, 2025 and 2024, the Group performed impairment testing on intellectual property rights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

- Revenue projections and long-term growth rate (3% for 2025 and 2024). Revenue projections based on financial budgets approved by management and the BOD. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (14% to 16% for 2023 and 16% to 17% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.
- Royalty rates (0.5% to 5% for 2023 and 1% to 5% for 2022). This is based on the publicly available information on franchising of educational institutions in the Philippines, with consideration on the operational risk of the involved entity.

The Group's impairment testing resulted to the recognition of ₱12.75 million and ₱32.8 million impairment loss on intellectual property rights of APEC in 2025 and 2024, respectively (nil in 2021).

The carrying value of intellectual property rights as of December 31, 2025 and 2024 amounted to ₱447.7 million in both years (Note 24).

Student Relationship

The carrying value and movement of student relationship as of and for the year ended December 31 follows (amount in thousands):

	2025	2024
Cost from business combination	₱116,009	₱116,009
Accumulated amortization:		
Beginning balance	(113,038)	(109,977)
Amortization and impairment	(2,228)	(3,061)
Ending balance	(115,266)	(113,038)
Balance at end of the year	₱743	₱2,971



Amortization amounted to ₱2.23 million in 2025, ₱3.1 million in 2024, ₱4.7 million in 2023. In 2021, the Group recognized ₱12.8 million impairment loss on APEC student relationship because the remaining students from the time of the merger in 2019 significantly declined as of December 31, 2021 due to the impact of coronavirus pandemic.

In 2025, management assessed that there is an impairment loss amounting to nil in 2025, ₱7.8 million in 2024, and nil in 2023 on the goodwill from the merger.

24. Other Noncurrent Assets

This account consists of:

	2025	2024
CWT - net of current portion	₱1,581,184,830	₱1,378,873,495
Input VAT	609,611,508	407,837,852
Intellectual property rights (Note 23)	447,676,000	447,676,000
Security deposit	82,147,118	62,790,636
Accrued rent income	56,489,143	58,867,410
Computer software	42,671,249	41,129,138
Advances to contractors	52,418,216	–
Student relationship	742,762	2,971,048
Others	97,325,120	13,841,501
	₱2,970,265,946	₱2,413,987,080

Intellectual property rights and student relationship are the intangible assets acquired in May 2019 through the merger between IPO and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (see Note 23).

Security deposits include rental and security deposits.

Rollforward of computer software follows:

	2025	2024
Cost		
Balance at beginning of year	₱207,960,718	₱157,085,574
Additions	13,548,966	50,875,144
Adjustments	10,886,161	–
Balance at end of year	232,395,845	207,960,718
Accumulated Amortization		
Balance at beginning of year	166,831,580	130,795,689
Amortization	31,741,418	34,723,168
Reclassifications and adjustments	(8,848,402)	1,312,723
Balance at end of year	189,724,596	166,831,580
Net Book Value	₱42,671,249	₱41,129,138



25. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable	₱2,247,796,721	₱3,246,048,801
Accrued expenses	1,542,868,410	1,400,304,688
Commission payable	1,039,700,321	1,139,931,040
Output tax payable	870,318,419	1,010,226,046
Installment payable - current portion (Note 19)	757,448,262	1,340,936,496
Withholding taxes and others	727,118,466	773,641,911
Customer's deposit	569,110,300	579,209,692
Provisions	124,647,074	187,627,712
Reserve for guards	60,026,875	52,397,241
Dividends payable	56,573,976	82,744,697
SSS and other contributions	18,022,198	16,691,813
Payable to land transportation office	2,089,661	8,335,196
Chattel mortgage payable	967,037	1,482,047
Miscellaneous payables	44,348,619	43,540,444
	₱8,061,036,339	₱9,883,117,824

Accounts payable pertains to the Group's obligation to local suppliers. The normal trade credit terms of accounts payable and accrued expenses of the Group are expected to be settled within the next twelve (12) months.

Accrued expenses consist of:

	2025	2024
Utilities expenses	₱643,660,801	₱467,690,179
Payable to suppliers	318,861,005	164,900,933
Salaries and wages	218,932,162	163,242,966
Security services	112,978,572	97,821,867
Interest	53,729,339	263,673,518
Professional fees	53,123,570	48,285,709
Accrued insurance	2,171,945	19,262,261
Others	139,411,016	175,427,255
	₱1,542,868,410	₱1,400,304,688

Other accrued expenses mainly consist of accrual for professional fees, outside services, utilities and other expenses that are expected to be settled within one year.

Provisions were provided for claims by third parties in the ordinary course of business. As allowed by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided as the disclosure of additional details beyond the present disclosures may prejudice the Group's position and negotiation strategies with respect to these matters.



26. Loans Payable

The Group availed loans from local banks. These loans are uncollateralized and short-term in nature. These loans have terms up to 1 year and bears interest ranging from 6.05% to 7.15%.

Movements in loans payable during the years ended December 31 follow:

	2025	2024
Balance at beginning of year	₱5,635,000,000	₱3,971,142,021
Availments	14,827,525,000	4,163,500,000
Payments	(10,063,860,000)	(2,499,642,021)
Balance at end of year	₱10,398,665,000	₱5,635,000,000

Interest expense incurred on these loans follows:

	2025	2024	2023
Continued operation	₱286,674,460	₱240,240,741	₱218,596,013
Deconsolidated operation	-	-	101,267,748
	₱286,674,460	₱240,240,741	₱319,863,761

27. Long-term Debt

Movements in the account follow:

	2025	2024
Balance at beginning of year	₱2,715,302,650	₱2,741,811,250
Payments	(2,457,057,350)	(32,573,600)
Transaction costs	3,032,500	6,065,000
Balance at end of year	261,277,800	2,715,302,650
Less current portion	(32,573,600)	(32,573,600)
	₱228,704,200	₱2,682,729,050

IPO

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third-party local bank for ₱650.0 million to finance its building refurbishment and/or expansion (see Note 10). The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread. In September 2021, the ₱80 million was converted to a 5.5% fixed rate.



The loan is subject to certain covenants including maintaining a maximum debt-to-equity structure ratio (D:E ratio) of 3:1. As of December 31, 2025 and 2024, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Secured

ATYC

On September 29, 2022, ATYC received ₱2.4 billion proceeds from the issuance of promissory note to RCBC that bears annual interest of 6.04%. The promissory note matures within three (3) years from the date of issuance. As of December 31, 2025, ATYC has fully settled the liability and there is no outstanding balance.

Interest expense incurred on these loans follows:

	2025	2024	2023
Continued operation	₱224,670,113	₱307,117,187	₱266,394,401
Deconsolidated operation	-	-	132,276,354
	₱224,670,113	₱307,117,187	₱398,670,755

The aforementioned loans require the Group to maintain certain financial ratios such as debt-to-equity ratio, current ratio and debt service coverage ratio calculated based on stipulation with the lender banks. As of December 31, 2025 and 2024, the Group was in compliance with all other loan covenants.

28. Insurance Contract Liabilities

This account consists of:

	2025	2024
Life insurance contracts	₱21,679,463,663	₱18,559,563,054
Non-life insurance contracts	22,288,627,048	29,144,289,801
	₱43,968,090,711	₱47,703,852,855

Life Insurance Contract Liabilities

This account consists of:

	2025	2024
Legal policy reserves - net	₱17,728,035,173	₱15,695,879,841
Claims and benefits payable	1,966,071,519	1,544,805,052
Insurance payable	994,920,435	483,445,315
Policyholders' dividends	499,454,733	397,478,059
Premium deposit fund	490,981,803	437,957,787
	₱21,679,463,663	₱18,559,563,054



a. *Legal policy reserves*

Details of legal policy reserves follows:

	2025			2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
Ordinary life	₱17,386,422,534	₱6,883,251	₱17,379,539,283	₱15,538,907,544	₱6,413,738	₱15,532,493,806
Group life	702,760,562	1,742,108	701,018,454	480,980,070	1,570,453	479,409,617
Accident and health	132,989,185	-	132,989,185	108,634,575	-	108,634,575
Variable life	(477,931,770)	7,579,979	(485,511,749)	(417,979,692)	6,678,465	(424,658,157)
	₱17,744,240,511	₱16,205,338	₱17,728,035,173	₱15,710,542,497	₱14,662,656	₱15,695,879,841

The insurance contract liabilities include unearned premium reserves (UPR) on group life which amounted to ₱400.03 million and ₱181.00 million in 2025 and 2024, respectively.

The movements during the year in legal policy reserves, net of reinsurance share are as follows:

	2025	2024
At January 1	₱15,695,879,841	₱13,405,176,560
Due to change in discount rates	(93,575,478)	26,769,259
Due to change in policies and assumptions	2,125,730,810	2,263,934,022
At December 31	₱17,728,035,173	₱15,695,879,841

The movements in UPR are included under due to changes in policies and assumptions.

The movements in the legal policy reserves due to change in discount rates are recorded under "Remeasurements on legal policy reserves". The rollforward analyses of this account follow:

	2025	2024
At January 1	(₱13,652,322)	₱-
Net decrease due to change in discount rate	47,723,494	(13,652,322)
At December 31	(₱34,071,172)	(₱13,652,322)

b. *Claims and benefits payable*

Details of claims and benefits payable follows:

	2025	2024
Claims payable	₱1,017,616,169	₱908,369,043
Maturities and surrenders payable	948,455,350	636,436,009
	₱1,966,071,519	₱1,544,805,052

The rollforward analyses of claims and benefits payable follow:

	2025	2024
At January 1	₱1,544,805,052	₱1,476,003,441
Arising during the year	8,228,005,564	7,564,959,802
Paid during the year	(7,806,739,097)	(7,496,158,191)
At December 31	₱1,966,071,519	₱1,544,805,052



Claims payable pertain to approved but unpaid claims which are due and demandable. This account also includes incurred but not reported (IBNR) claims that already occurred but notice still has not been received by the Group. The Group estimates reasonable unreported claims based on historical experience.

Maturities and surrenders payable represent claims on matured and surrendered policies which are due and unpaid as at reporting date.

Insurance payables - Life

This account consists of:

	2025	2024
Life insurance deposits	₱590,160,088	₱353,841,909
Subscriptions to variable unit-linked funds	215,369,039	69,370,667
Due to reinsurers	9,902,910	8,772,591
Others	179,488,398	51,460,148
	₱994,920,435	₱483,445,315

Life insurance deposits pertain to premiums collected in advance and are not yet credited to premium income until these become due.

Subscriptions to variable unit-linked funds pertain to unremitted contributions to the segregated funds relating to variable unit-linked policies.

Due to reinsurers represents premiums due and unpaid on treaty and facultative reinsurance agreements entered into by the Company.

d. Premium deposit fund

This account pertains to funds held for policyholders which bear interest at annual rates ranging from 2.00% to 6.00% in 2025 and 2024. Interest expense of the Group related to premium deposit fund amounted to ₱15.90 million and ₱14.18 million in 2025 and 2024, respectively.

e. Policyholders' dividends

Details of policyholder's dividends follows:

	2025	2024
At January 1	₱397,478,058	₱313,648,287
Accrual	66,039,898	51,280,018
Interest	11,266,547	9,795,662
Reversal	24,670,230	22,754,092
At December 31	₱499,454,733	₱397,478,059

Policyholders' dividends pertain to due and unpaid dividends on participating policies which are in-force for three (3) or more years. Policyholders are given an option to deposit the dividends with the Group to accumulate and earn interest. Interest expense on policyholders' dividends amounted to ₱11.27 million and ₱9.80 million in 2025 and 2024, respectively.



Non-life Insurance Contract Liabilities

This account consists of:

	2025		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 12)	Net
Provision for claims reported and loss adjustment expenses	P10,095,175,749	P6,060,180,353	P4,034,995,396
Provision for IBNR and margin for adverse deviation (MfAD)	2,440,431,497	1,585,314,776	855,116,721
Total claims reported, IBNR and MfAD	12,535,607,246	7,645,495,129	4,890,112,117
Provision for unearned premiums	6,452,126,708	3,708,936,689	2,743,190,019
Insurance payable	3,300,893,094	-	3,300,893,094
Total insurance contract liabilities	P22,288,627,048	P11,354,431,818	P10,934,195,230

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 10)	Net
Provision for claims reported and loss adjustment expenses	P9,813,511,806	P6,647,745,178	P3,165,766,628
Provision for IBNR and margin for adverse deviation (MfAD)	8,305,004,226	7,046,247,275	1,258,756,951
Total claims reported, IBNR and MfAD	18,118,516,032	13,693,992,453	4,424,523,579
Provision for unearned premiums	7,611,805,205	4,661,968,741	2,949,836,464
Insurance payable	3,413,968,564	-	3,413,968,564
Total insurance contract liabilities	P29,144,289,801	P18,355,961,194	P10,788,328,607

a. *Claims reported and IBNR*

This account consists of:

	2025	2024
Provision for claims reported and loss adjustment	P10,095,175,749	P9,813,511,806
Provision for IBNR	2,440,431,497	8,305,004,225
Total claims reported and IBNR	P12,535,607,246	P18,118,516,031

b. *Provision for unearned premiums*

This pertains to the proportion of deferred written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired as of the period ended.



c. *Insurance payables – Non-life*

This account consists of:

	2025	2024
Due to reinsurers	₱2,136,705,855	₱2,435,773,048
Funds held for reinsurers	1,164,187,239	978,195,516
	₱3,300,893,094	₱3,413,968,564

Due to reinsurers represents premiums due and unpaid on treaty and facultative reinsurance agreements entered into by the Group.

The funds held for reinsurers are interest-bearing ranging from 4.4% to 5.4%.

29. Related Party Transactions

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

Related parties include entities under common control, which pertains to other subsidiaries of PMMIC, which is the Group's ultimate parent company.

The year-end balances and transactions with respect to related parties included in the consolidated financial statements are as follows (amounts in thousands):

Category		Amount/ Volume	Outstanding Balance Receivable (Payable)	Terms	Conditions
Parent Company – PMMIC					
a. Miscellaneous expenses incurred	2025	9,073	(4,246)	Non-interest bearing	Unsecured, unimpaired
	2024	2,060	(2,798)		
Dividends paid	2025	124,643	–	Non-interest bearing	Unsecured, unimpaired
	2024	34,623	–		
Clinic procedures	2025	200	25	Non-interest bearing	Unsecured, unimpaired
	2024	191	14		
Associates					
b. Management and audit fee income	2025	13,042	3,527	Non-interest bearing	Unsecured, unimpaired
	2024	3,755	2,100		
c. Dividends earned / receivable	2025	86,494	12,600	Non-interest bearing	Unsecured, unimpaired
	2024	88,326	12,500		

(Forward)



Category		Amount/ Volume	Outstanding Balance Receivable (Payable)	Terms	Conditions
Entities under common control					
d. Rental income	2025	–	–	Non-interest bearing	Unsecured
	2024	10,458	10,018		
e. Rendering of janitorial services	2025	–	–	Non-interest bearing	Unsecured
	2024	–	–		
f. Sale of vehicle units	2025	–	–	Non-interest bearing	Unsecured
	2024	184,829	–		
g. Management and audit fee income	2025	207	1,068	Non-interest bearing	Unsecured
	2024	90	2,434		
h. Clinic procedures	2025	3,820	1,075	Non-interest bearing	Unsecured
	2024	4,128	802		
i. Dividends earned / receivables	2025	5,006	–	Non-interest bearing	Unsecured
	2024	7,164	–		
j. Construction-related payments	2025	–	–	Non-interest bearing	Unsecured
	2024	–	–		
k. Insurance expense	2025	24,623	–	Non-interest bearing	Unsecured
	2024	17,932	–		
l. Rental of office space	2025	20,108	3,137	Non-interest bearing	Unsecured
	2024	14,498	411		
m. Cash and cash equivalents	2025	–	4,884,099	Non-interest bearing	Unsecured
	2024	–	5,808,411		
n. Interest income	2025	94,020	–	Non-interest bearing	Unsecured
	2024	99,615	–		
o. Financial assets at FVPL	2025	–	11,330	Non-interest bearing	Unsecured
	2024	–	8,022		
p. Short-term investments	2025	–	113,416	Non-interest bearing	Unsecured
	2024	–	77,143		
q. Loan payables and installment payable	2025	–	1,737,448	Interest bearing	Unsecured
	2024	–	3,055,385		
r. Interest expense	2025	164,326	2,346	Non-interest bearing	Unsecured
	2024	144,517	137,258		
s. Retirement fund	2025	39,726	–	Non-interest bearing	Unsecured
	2024	30,680	3,544		
Other affiliates					
t. Management fee	2025	545,645	(149,727)	Non-interest bearing	Unsecured
	2024	506,133	(148,079)		
u. Management and audit fee income	2025	–	–	Non-interest bearing	Unsecured
	2024	–	–		
Receivable from related parties	2025		4,595		
	2024		4,534		
Due to related parties	2025		(153,973)		
	2024		(148,012)		



The Group maintains its retirement fund with RCBC trust division. As at December 31, 2025 and 2024, the fair values of the plan assets of the retirement fund amounted to ₱1,108.96 million and ₱974.1 million, respectively (Note 32). Trust fees amounting to ₱0.9 million, ₱0.9 million, and ₱0.5 million were recognized by the retirement plan arising from its transactions with RCBC for the years ended December 31, 2025, 2024 and 2023, respectively.

Remuneration of key management personnel

The remuneration of directors and other members of key management of the Group are as follows:

	2025	2024	2023
Compensation and short-term benefits	₱523,536,139	₱632,989,605	₱517,037,183
Post-employment benefits	237,161,739	262,519,769	24,827,707
	₱760,697,878	₱895,509,374	₱541,864,890

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. These mainly consist of advances and reimbursement of expenses. The Group has not recognized any impairment on amounts due from related parties for the years ended December 31, 2025, 2024 and 2023. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Identification, review and approval of related party transactions

Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements. All material related party transactions shall be reviewed by the Group's Corporate Governance Committee and approved by the BOD with at least 2/3 votes of BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

30. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31:

	2025	2024	2023
Revenue from sale of services	₱33,364,689,202	₱28,935,613,525	₱2,041,058,483
Revenue from sale of goods	4,087,146,227	4,615,226,208	4,561,727,510
Revenue from school and related operations	6,222,194,722	5,321,725,877	4,491,425,637
	₱43,674,030,151	₱38,872,565,610	₱11,094,211,630



Disaggregation of Revenue from Sale of Services

	2025	2024	2023
Financial services	₱30,992,000,811	₱26,718,209,196	₱-
Leasing services	910,732,067	871,805,937	781,195,919
Automotive services	830,781,855	832,911,678	767,776,317
Admin and management services	412,372,417	299,432,105	282,915,155
Death care services	161,550,814	158,703,037	152,524,092
Security services	57,251,238	54,551,572	56,647,000
	₱33,364,689,202	₱28,935,613,525	₱2,041,058,483

Financial Services

Revenue from financial services consist of:

	2025	2024
Insurance premiums - life, net	₱18,583,856,131	₱14,492,934,364
Insurance premiums - non-life, net	5,515,821,503	5,185,324,569
Investments and other income, net	4,104,262,719	4,479,102,811
Fee income	1,682,804,413	1,533,815,329
Commission income	566,635,557	550,526,846
Trust income	538,620,488	476,505,277
	₱30,992,000,811	₱26,718,209,196

a. *Insurance premiums - life, net consist of:*

	2025	2024
Variable life	₱11,499,752,183	₱8,264,584,134
Ordinary life insurance	3,122,990,230	3,838,104,627
Group life insurance	3,996,542,139	2,422,156,531
Reinsurance assumed	290,688	278,906
Reinsurers' share of gross premiums on insurance contracts:		
Ordinary life insurance	(30,909,996)	(27,365,305)
Group life insurance	(4,809,113)	(4,824,529)
	₱18,583,856,131	₱14,492,934,364

b. *Insurance premiums - non-life, net consist of:*

	2025	2024
Gross premiums on insurance contracts	₱13,351,343,309	₱15,071,069,393
Gross change in provision for unearned premiums	1,159,689,055	(643,726,006)
Gross premiums earned	14,511,032,364	14,427,343,387
Reinsurers' share of gross premiums on insurance contracts	8,041,492,230	9,703,130,206
Reinsurers' share of gross change in provision for unearned premiums	953,718,631	(461,111,388)
Reinsurers' share of gross premiums earned on insurance contracts	8,995,210,861	9,242,018,818
Net premiums earned	₱5,515,821,503	₱5,185,324,569



c. *Investment and other income, net consist of:*

	2025	2024
Interest income	₱2,038,125,804	₱1,868,439,257
Segregated Fund	1,546,252,530	2,305,942,788
Dividend income	194,299,980	210,369,616
Gain - FVTPL investments	146,572,372	28,277,850
Foreign exchange gains	138,973,438	44,305,610
Gain on sale of assets	31,267,000	6,528,177
Increase in investment in segregated funds	8,771,595	15,239,513
	₱4,104,262,719	₱4,479,102,811

d. *Fee income consist of:*

	2025	2024
Management fees	₱623,329,975	₱636,625,413
Cost of insurance	574,159,147	428,058,794
Periodic charges	461,981,345	439,058,524
Policy administration fees	23,333,946	30,072,598
	₱1,682,804,413	₱1,533,815,329

Disaggregation of Revenue from Sale of Goods

	2025	2024	2023
Merchandise sales			
Vehicle units	₱3,766,636,769	₱4,283,332,403	₱4,534,024,207
Parts and Accessories	299,767,228	311,099,624	7,648,805
Food and Beverage	20,742,230	20,794,181	20,054,498
	₱4,087,146,227	₱4,615,226,208	₱4,561,727,510

Disaggregation of Revenue from School and Related Operations:

	2025	2024	2023
Tuition and other matriculation fees	₱5,895,938,211	₱5,107,129,714	₱4,220,006,288
Other student-related income	326,256,511	214,596,163	271,419,349
	₱6,222,194,722	₱5,321,725,877	₱4,491,425,637

31. Cost of Sales and Services

This account consists of:

	2025	2024	2023
Cost of services	₱26,311,598,561	22,715,717,211	₱814,281,045
Cost of merchandise sold	3,991,018,891	4,493,450,106	4,399,400,290
Cost of school and related operations	3,693,706,730	3,165,945,105	2,853,889,258
	₱33,996,324,182	₱30,375,112,422	₱8,067,570,593



Disaggregation of Costs from Sale of Services

	2025	2024	2023
Financial services	₱25,437,606,127	₱21,886,207,676	₱-
Materials, parts and accessories	342,054,747	332,506,317	247,648,823
Depreciation and amortization	127,875,936	123,103,981	106,488,876
Personnel expenses	119,689,061	114,420,896	170,061,084
Others	284,372,690	259,478,341	290,082,262
	₱26,311,598,561	₱22,715,717,211	₱814,281,045

Financial services

Costs of financial services in 2025 consists of:

	2025	2024
Insurance contract benefits and claims paid – life:		
Insurance benefits and claims incurred, net	₱8,217,691,171	₱7,558,239,355
Change in variable unit-linked segregated fund liabilities, net	6,886,565,519	4,621,842,223
Change in legal policy reserves, net (Note 28)	2,125,730,810	2,263,934,022
Insurance contract benefits and claims paid – non-life:		
Gross insurance contract benefits and claims paid	4,265,323,723	6,570,067,363
Reinsurers’ share of gross insurance contract benefits and claims paid	(1,538,142,359)	(4,320,886,077)
Gross change in insurance contract liabilities	(5,569,954,447)	(5,531,269,732)
Reinsurers’ shares of gross change in insurance contract liabilities	6,055,023,975	6,316,020,155
Commission expense	3,549,850,022	3,897,282,812
Other underwriting expense	1,445,517,713	510,977,555
	₱25,437,606,127	₱21,886,207,676

Insurance benefits and claims incurred in 2025, net consists of:

	2025	2024
Claims	₱904,842,903	₱847,449,102
Maturities and surrenders	990,514,351	674,905,475
Experience refunds	82,207,075	64,922,586
Policyholders’ dividends (Note 28)	66,039,897	51,280,018
General fund	2,043,604,226	1,638,557,181
Segregated funds (Note 11)	6,184,401,338	5,926,402,621
Insurance contract benefits and claims incurred	8,228,005,564	7,564,959,802
Reinsurers’ share	(10,314,393)	(6,720,447)
	₱8,217,691,171	₱7,558,239,355



Change in variable unit-linked segregated fund liabilities in 2025 consists of:

	2025	2024
Subscriptions allocated to unit-linked funds	₱11,499,752,183	₱8,264,584,134
Investment income - net	1,571,214,674	2,283,660,710
Withdrawals and redemptions	(6,184,401,338)	(5,926,402,621)
Net change in variable unit-linked	₱6,886,565,519	₱4,621,842,223

Gross insurance contract benefits and claims paid consist of:

	2025	2024
Gross insurance contract benefits and claims paid:		
Direct insurance	₱3,979,316,664	₱6,071,150,214
Assumed reinsurance	286,007,059	498,917,149
Total gross insurance contract benefits and claims paid	₱4,265,323,723	₱6,570,067,363

Reinsurers' share of gross insurance contract benefits and claims paid consist of:

	2025	2024
Reinsurers' share of insurance contract benefits and claims paid:		
Direct insurance	(₱1,631,881,865)	(₱4,180,397,271)
Assumed reinsurance	93,739,506	(140,488,806)
Total reinsurers' share of gross insurance contract benefits and claims paid	(₱1,538,142,359)	(₱4,320,886,077)

Gross change in insurance contract liabilities consist of:

	2025	2024
Change in provision for claims reported:		
Direct insurance	₱317,440,663	(₱4,190,548,046)
Assumed reinsurance	(22,567,034)	(1,446,160,363)
Change in provision for IBNR	(5,864,828,076)	105,438,677
Total gross change in insurance contract liabilities	(₱5,569,954,447)	(₱5,531,269,732)

Reinsurers' shares of gross change in insurance contract liabilities consist of:

	2025	2024
Reinsurers' share of gross insurance contract liabilities:		
Direct insurance	₱587,258,007	₱5,015,689,398
Assumed reinsurance	6,770,758	1,177,587,237
Change in provision for IBNR	5,460,995,210	122,743,520
Total reinsurers' share of gross change in insurance contract liabilities	₱6,055,023,975	₱6,316,020,155



Disaggregation of Costs from Sale of Merchandise

	2025	2024	2023
Inventory, beginning	₱398,314,089	₱532,627,643	₱418,870,257
Purchases	4,051,037,121	4,359,136,552	4,513,157,676
Total goods available for sale	4,449,351,210	4,891,764,195	4,932,027,933
Less: Inventory, ending	458,332,319	398,314,089	532,627,643
	₱3,991,018,891	₱4,493,450,106	₱4,399,400,290

Disaggregation of Costs from School and Related Operations

	2025	2024	2023
Personnel expenses	₱1,672,662,725	1,449,215,507	₱1,253,793,903
Depreciation and amortization	500,484,590	446,139,401	446,541,606
Student-related expenses	311,876,060	263,381,998	200,928,997
IT expense - software license	287,818,067	214,248,564	140,149,480
Management and other professional fees	225,620,852	183,562,435	171,737,847
Periodicals	201,797,267	172,421,151	165,340,990
Utilities	160,371,121	149,662,558	131,230,639
Research and development fund	49,307,848	45,988,307	38,288,718
Accreditation cost	46,351,117	15,096,406	40,130,081
Repairs and maintenance	45,847,898	54,155,650	42,443,863
Tools and library books	42,241,018	56,056,943	40,494,558
Seminar	20,654,536	18,389,299	12,768,487
Insurance	20,396,021	16,154,639	18,802,694
Transportation and travel	12,735,672	8,400,642	4,640,168
Office supplies	10,887,256	14,313,466	7,180,366
Advertising	5,213,707	1,509,889	102,865,714
Taxes and licenses	5,105,374	4,621,438	9,241,956
Rent	2,112,780	10,876,687	5,843,131
Entertainment, amusement and recreation	1,849,939	1,137,748	1,576,256
Miscellaneous	70,372,882	40,612,377	19,889,804
	₱3,693,706,730	₱3,165,945,105	₱2,853,889,258

32. Other Income - net

This account consists of:

	2025	2024	2023
Interest income	193,219,989	₱172,633,336	₱115,450,699
Gain on sale of assets	83,216,678	42,015,741	5,030,534
Rental income	35,726,385	25,833,638	23,713,862
Space and car rental	29,291,459	36,085,311	7,031,779
Gain (loss) - FVTPL Investments	26,786,970	30,346,833	–
Dividend income (Notes 16)	22,870,571	26,818,892	816,700
Clinic charges	17,820,516	17,912,131	–
Foreign exchange gain (loss)	11,984,334	8,163,601	(3,458,049)
Remeasurement loss	–	(245,052,123)	–
Miscellaneous	55,948,583	82,141,046	94,896,659
	₱476,865,485	₱196,898,406	₱243,482,184



On January 5, 2024, the Company reclassified the remaining 16.5% investment in EEI to FVOCI and recognized remeasurement loss of ₱245.05 million.

Interest income consists of income from:

	2025	2024	2023
Cash and cash equivalents (Note 8)	₱186,820,505	₱166,109,508	₱114,552,290
Others	6,399,484	6,523,828	898,409
	₱193,219,989	₱172,633,336	₱115,450,699

Gain on sale of assets arose from the sale of the following assets:

	2025	2024	2023
Property and equipment (Note 20)	₱65,484,361	₱13,147,802	₱5,030,534
Financial assets - FVTPL, FVOCI, Amortized cost	15,396,195	13,513,528	-
Investment properties (Note 19)	2,336,122	15,354,411	-
	₱83,216,678	₱42,015,741	₱5,030,534

Miscellaneous include income from sale of sludge and used oil, rebate from purchase of fuel, commission income, income from reversal of impairment, among others.

33. General and Administrative Expenses

This account consists of:

	2025	2024	2023
Personnel expenses	₱2,106,879,471	₱1,976,640,770	₱512,934,978
Taxes, licenses and fees	406,318,897	389,577,471	176,009,405
Depreciation and amortization	393,037,245	368,410,288	127,936,522
Advertising and promotions	371,573,595	369,796,943	184,542,375
Office expense	306,867,847	358,711,242	55,556,837
Security, janitorial and utilities	216,904,874	211,774,900	42,985,999
Professional fees	202,430,523	182,778,891	34,982,295
Provision for (recovery of) impairment of assets	216,404,137	18,228,897	-
Rent, light and water	186,365,860	199,368,685	63,673,217
Repairs and maintenance	133,994,662	130,339,253	32,611,393
Direct selling expenses	120,919,923	78,778,262	17,459,269
Provision for probable losses	112,495,814	66,367,247	43,502,994
Transportation and travel	93,707,171	96,892,101	28,971,217
Seminars	93,222,020	91,280,267	8,157,283
Commission	53,691,191	44,270,100	48,420,017
Insurance expense	51,055,171	32,323,435	25,222,843
Management and other fees	36,435,123	38,015,367	152,147,455
Entertainment, amusement and recreation	17,419,836	33,816,869	23,728,462
Donations and charitable contribution	8,400,610	11,423,002	5,680,236
Provision for inventory obsolescence	5,069,149	3,448,071	651,221

(Forward)



	2025	2024	2023
Provision for impairment of intellectual property rights	₱-	₱-	₱32,771,071
Recovery of provision for impairment of inventories	-	-	(24,097,236)
Miscellaneous	255,782,955	157,286,167	86,977,976
	₱5,388,976,074	₱4,859,528,228	₱1,680,825,829

Miscellaneous expense includes dues and subscriptions, periodicals, training and seminar, bank charges, legal and notarial services and other admin charges.

34. Depreciation and Amortization

This account consists of depreciation and amortization from continued operation as follows:

	2025	2024	2023
Cost of sales and services (Note 31)			
School and related operations	₱500,484,590	₱446,139,401	₱446,541,606
Manpower and other services	127,875,935	123,103,981	106,488,877
	628,360,525	569,243,382	553,030,483
General and administrative expenses (Note 33)	393,037,245	368,410,288	127,936,522
	₱1,021,397,770	₱937,653,670	₱680,967,005

Depreciation and amortization from continued operation for the different assets follow:

	2025	2024	2023
Property and equipment (Note 20)	₱702,222,416	₱1,160,094,155	₱476,222,622
Investment property (Note 19)	106,742,352	103,067,217	95,735,543
Right-of-use asset (Note 22)	178,463,299	173,494,778	90,289,014
Computer software (Note 24)	31,741,418	34,723,168	13,992,941
Student relationship	2,228,286	2,295,864	4,726,885
	₱1,021,397,770	₱1,473,675,182	₱680,967,005

35. Interest and Finance Charges

The Group's interest and finance charges consist of interest on the following:

	2025	2024	2023
Loans payable (short-term) (Note 26)	₱286,674,460	₱240,240,742	₱218,596,013
Long-term debt (Note 27)	224,670,113	307,117,187	266,394,401
Lease liabilities (Note 22)	63,690,713	77,895,808	40,779,802
Advances to affiliates and other finance charges	3,168,530	5,278,615	8,900
	₱578,203,816	₱630,532,352	₱525,779,116



36. Retirement Plan

The Group has funded, noncontributory retirement plans (the Plans) for all of its regular employees, in compliance with RA No. 7641, The New Retirement Pay Law. The Plans provide for normal, early retirement, death, and disability benefits. The most recent actuarial valuation was made for the Group's retirement plans as of December 31, 2025.

The following tables summarize the components of the benefit expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement plans.

	2025	2024
Retirement liabilities	₱807,377,239	₱847,990,521
Retirement assets	126,011,710	147,337,007
Net retirement liabilities	₱681,365,529	₱700,653,514

The net retirement expenses recognized by the Group (included in personnel expense in the consolidated statements of comprehensive income) are as follows:

	2025	2024	2023
Current service cost	₱151,849,578	₱118,069,674	₱47,642,825
Net interest cost	38,826,855	36,533,084	63,929,987
	₱190,676,433	₱154,602,758	₱111,572,812

The amounts recognized in the consolidated statements of financial position follow:

<i>Net retirement liabilities</i>	2025	2024
Present value of defined benefit obligation	₱1,960,270,347	₱1,822,051,276
Fair value of plan assets	(1,152,893,108)	(974,060,755)
	₱807,377,239	₱847,990,521

<i>Net retirement assets</i>	2025	2024
Present value of defined benefit obligation	₱55,459,612	₱53,343,840
Fair value of plan assets	(181,617,803)	(203,994,911)
Effect of asset ceiling	146,481	3,314,064
	(₱126,011,710)	(₱147,337,007)

The movements in the net retirement liability follow:

	2025	2024
Balance at beginning of year	₱847,990,521	₱684,971,029
Net retirement expense	209,931,799	141,295,515
Adjustment to defined benefit obligation	(48,898,374)	(11,135,137)
Derecognition/ transfer	-	146,445,004
Benefit paid	(51,938,258)	-
Contributions	(234,663,545)	(215,711,020)
Remeasurement gain	84,955,096	102,125,130
Balance at end of year	₱807,377,239	₱847,990,521



The movements in the present value of defined obligation follow:

	2025	2024
Balance at beginning of year	₱1,822,051,276	₱1,588,764,821
Current service cost	151,849,578	133,365,966
Interest cost on obligation	97,443,480	99,577,235
Derecognition/transfer	-	36,761,051
Benefits paid	(165,861,077)	(119,544,917)
Remeasurement gain	54,787,090	83,127,120
Balance at end of year	₱1,960,270,347	₱1,822,051,276

The movements in the fair value of plan assets follow:

	2025	2024
Balance at beginning of year	₱974,060,756	₱922,782,967
Contributions	288,321,221	205,693,519
Derecognition/transfer	-	(79,583,964)
Asset return in net interest cost	58,616,625	53,262,784
Adjustments to plan assets	(169,878)	3,275,480
Remeasurement loss	(27,044,998)	(20,757,680)
Benefits paid	(140,890,618)	(110,612,351)
Balance at end of year	₱1,152,893,108	₱974,060,755

The major categories of plan assets and its fair value are as follows:

	2025	2024
Cash	₱340,086,750	₱299,664,929
Investment in government securities	743,423,368	347,875,304
Investments in shares of stock	121,928,111	206,561,457
Investments in other securities and debt instruments	123,831,743	284,096,739
Interest receivables and other receivables	8,685,076	8,946,589
Accrued trust fees and other payables	(29,063,263)	(30,338,352)
	₱1,308,891,785	₱1,116,806,666

The Group expects to contribute ₱181.80 million to its defined benefit retirement plans in 2026.

The Retirement fund (Fund) of the Group is being maintained and managed, in trust, by RCBC Trust and Investment Group (TIG), an affiliate financial institution. Investment in shares of stocks comprised of investments in shares within the Group that are traded in the Philippine Stock Exchange.

Trust fees paid in 2025, 2024 and 2023 amounted ₱1.11 million, ₱0.88 million, and ₱0.69 million, respectively.

The composition of the fair value of the trust fund includes:

Investment in government securities - include investment in Philippine Retail Treasury Bonds (RTBs) and Fixed Rate Treasury Notes (FXTNs).

Cash - include savings and time deposit with affiliated bank and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).



Investment in equity securities - include investment in common and preferred shares traded in the Philippine Stock Exchange.

Investment in debt and other securities - include investment in long-term debt notes and retail bonds.

Interest and other receivables - pertain to interest and dividends receivable on the investments in the fund.

In 2025, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱147.29 million and ₱4.2 million, respectively.

In 2024, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱145.97 million and ₱3.6 million, respectively.

The voting rights of the above equity securities were assigned to RCBC TIG, being the investment manager who manages and administers the investments and reinvestments of the fund.

The principal actuarial assumptions used in determining retirement expense are as follows:

	2025	2024
Discount rate		
Beginning	5.01%-6.13%	6.03%-7.02%
End	4.95%-6.31%	5.01%-6.13%
Future salary increases		
Beginning	3.48%-6.00%	3.07%-6.00%
End	3.31%-6.00%	3.48%-6.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of financial reporting date, assuming all other assumptions were held constant.

	2025		2024	
	Increase (decrease)	Effect on defined benefit obligation	Increase (decrease)	Effect on defined benefit obligation
Discount rates	+50bps to +100bps	(₱348,000,076)	+50bps to +100bps	(₱202,278,987)
	-50bps to -100bps	415,422,076	-50bps to -100bps	230,923,629
Salary increase rates	+50bps to +100bps	459,224,498	+50bps to +100bps	427,232,625
	-50bps to -100bps	(374,142,185)	-50bps to -100bps	(353,625,667)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2025	2024
Less than one year	₱128,850,526	₱142,132,346
More than one to five years	528,881,667	452,817,902
More than five years	8,674,061,289	2,661,958,369

The average duration of the defined benefit obligation ranges from 6 to 21 and 8 to 20 years as of December 31, 2025 and 2024, respectively.

In 2025, the corresponding remeasurement on the retirement liability of employees transferred to HCI were closed from OCI to retained earnings amounting to ₱10.47 million.



37. Income Taxes

The reconciliation between the statutory and effective income tax rates follows:

	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%
Add (deduct) reconciling items:			
Movement of deferred income tax assets not recognized	3.84	3.52	0.21
Equity in net earnings of associates and joint venture	(7.34)	(10.31)	(9.89)
Income subject to final taxes and lower rates	(6.86)	(6.43)	(9.78)
Others	3.96	4.14	6.18
Effective income tax rate	18.60%	15.92%	(11.72%)

All companies in the Group are subject to the RCIT rate of 25%, except for MESI, MHSSI, MCLI, MCMI, UNC, NTC and APEC which are subject to a lower tax rate of 10% to be applied to proprietary educational institutions and hospitals.

The Group's net deferred tax assets and liabilities consist of the following:

	2025	2024
Net deferred tax assets on a per subsidiary level:		
Retirement	₱179,091,129	₱186,493,767
Deferred income	(10,168,374)	62,905,521
MCIT	27,311,661	60,642,003
Allowance for ECL, inventory, obsolescence and other expenses	90,628,112	58,017,067
Leases	57,205,931	24,943,171
NOLCO	216,182,927	8,583,069
Others	641,150,965	625,938,233
	₱1,201,402,351	₱1,027,522,831
Net deferred tax liabilities on a per subsidiary level:		
Revaluation increment on land	₱2,229,844,852	₱2,147,433,178
Right-of-use asset	18,489,793	(7,151,184)
Accrued expenses	(17,187,519)	
Retirement	(44,802,410)	(39,984,959)
Others	26,194,968	1,671,374
	₱2,212,539,684	₱2,101,968,409

The reconciliation of the Group's net deferred tax liabilities (assets) follow:

	2025	2024
Balance at beginning of year	₱1,074,445,578	₱1,158,528,327
Tax expense (income) recognized in:		
Other comprehensive income (loss)	(6,285,770)	16,089,864
Other adjustments	(171,049,253)	(220,758,043)
Profit and loss	114,026,778	120,585,430
	₱1,011,137,333	₱1,074,445,578



The Group did not recognize deferred tax assets on the following temporary differences because the Group believes that it may not be probable that sufficient taxable income will be available in the near foreseeable future against which the tax benefit can be realized.

	2025	2024
NOLCO	₱86,288,000	₱31,083,391
Allowance for inventory obsolescence	24,097,263	24,097,263
Estimated credit losses on receivables	58,177,992	56,474,992
MCIT	1,356,311	1,356,311
Accrued retirement expense	3,723,302	2,670,302

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 implementing Section 4 (bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2025, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2021	₱229,200,542	₱118,811,090	₱-	₱110,389,452	2026
2020	256,381,702	3,604,406	-	252,777,296	2025
	₱485,582,244	₱122,415,496	₱-	₱363,166,748	

As of December 31, 2025, the amount of NOLCO incurred after taxable year 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2025	₱842,025,034	₱-	₱-	₱842,025,034	2028
2024	13,759,686	-	-	13,759,686	2027
2023	66,307,938	-	-	66,307,938	2026
2022	60,541,134	60,541,134	-	-	2025
	₱982,633,792	₱60,541,134	-	₱922,092,658	

As of December 31, 2025, the amounts of MCIT still allowable as tax credit consist of:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2025	₱9,776,765	₱-	₱-	₱9,776,765	2028
2024	7,146,086	-	-	7,146,086	2027
2023	2,860,229	-	-	2,860,229	2026
2022	1,310,353	1,310,353	-	-	2025
	₱21,093,433	₱1,310,353	₱-	₱19,783,080	



38. Earnings Per Share

Basic and diluted earnings (loss) per share amounts attributable to equity holders of the Group are computed as follows:

Basic earnings (loss) per share

	2025	2024	2023
Net income attributable to equity holders of parent company	₱2,142,208,747	₱1,376,817,147	₱440,794,487
Less dividends attributable to preferred shares	—	—	—
Net income applicable to common shares	2,142,208,747	1,376,817,147	440,794,487
Divided by the weighted average number of common shares	1,469,302,230	1,469,302,230	1,469,302,230
Basic earnings per share	₱1.4580	₱0.9371	₱0.3000

Diluted earnings (loss) per share

	2025	2024	2023
Net income applicable to common share for basic earnings per share	₱2,142,208,747	₱1,376,817,147	₱440,794,487
Net income applicable to common stockholders for diluted earnings per share	2,142,208,747	1,376,817,147	440,794,487
Weighted average number of shares of common stock	1,469,302,230	1,469,302,230	1,469,302,230
Weighted average number of shares of common stock for diluted earnings per share	1,469,302,230	1,469,302,230	1,469,302,230
Diluted earnings per share	₱1.4580	₱0.9371	₱0.3000

The weighted average number of shares of common stock is computed as follows:

	2025	2024	2023
Number of shares of common stock issued	1,469,602,230	1,469,602,230	776,765,281
Less treasury shares	300,000	300,000	300,000
	1,469,302,230	1,469,302,230	776,465,281



39. Capital Stock

Preferred stock

The authorized preferred stock is 2,500,000,000 shares at ₱0.40 par value. There are no preferred shares outstanding as at December 31, 2025 and 2024.

Common stock

The authorized common stock is 1,250,000,000 shares at ₱1.50 par value.

A reconciliation of the number of common shares outstanding as at December 31, 2025, 2024 and 2023 follows:

	2025		2024		2023	
	Amount	Shares	Amount	Shares	Amount	Shares
Balance at beginning of year	₱2,204,403,346	1,469,602,230	₱2,204,403,346	1,469,602,230	₱1,165,147,922	776,765,281
Issuance of new shares	-	-	-	-	1,039,255,424	692,836,949
Balance at end of year	2,204,403,346	1,469,602,230	2,204,403,346	1,469,602,230	2,204,403,346	1,469,602,230
Treasury stock	(2,607,600)	(300,000)	(2,607,600)	(300,000)	(2,607,600)	(300,000)
	₱2,201,795,746	1,469,302,230	₱2,201,795,746	1,469,302,230	₱2,201,795,746	1,469,302,230

On April 25, 2023, the BOD of the Parent Company approved the resolution to increase the authorized capital stock of the Parent Company from ₱2,875 million divided into 1,250,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share to ₱3,205 million divided into 1,470,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share.

On December 29, 2023, the Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's Articles of Incorporation for the increase in its authorized capital stock relative to the share swap agreement between the Parent Company and GPL Holdings, Inc. (GPLHI) and PMMIC. Under the share swap agreement with GPLHI, the Parent Company issued 221,716,590 common shares to GPLHI in exchange for the acquisition of GPLH's 51% ownership over SunLife Grepa Financial, Inc. (SGFI) and 73,416,558 common shares in exchange for the acquisition of Grepa Realty Holdings Corporation (GRHC's) 51% ownership. Under the share swap agreement with PMMIC, the Parent Company issued 397,703,801 common shares to PMMIC in exchange for the acquisition of PMMIC's 77.33% ownership over MICO Equities, Inc. (MEI). As a result of the share swap agreements, the Parent Company recorded an increase in "Common Stock" and "Additional Paid-in Capital" amounting to ₱1.04 billion and ₱14.70 billion, respectively. The share swaps were accounted as noncash investing activities in the 2023 parent company statement of cash flows.

The following are summarized net assets of the following subsidiaries:

Account	MEI	SLGFI
Cash and cash equivalents	₱2,699,665,724	₱1,468,469,409
Receivables	8,749,984,821	537,136,247
Reinsurance assets	24,230,398,085	-
FVOCI	7,473,695,109	15,077,443,196
Other assets	8,236,718,299	44,210,988,068
Accounts payable and other current liabilities	(4,074,248,961)	(569,362,754)
Long-term notes and loans payable	(35,379,435,131)	-
Retirement liability	(352,662,099)	(77,765,400)
Other liabilities	(278,154,424)	(53,542,114,672)
Net assets	₱11,305,961,423	₱7,104,794,094



On May 24, 2013, the Parent Company repurchased 300,000 shares held as treasury stock at ₱8.69 per share for ₱2.61 million.

SEC approved the registration of the Parent Company's authorized capital stock before its listing date with the PSE, which was on July 2, 1962. The actual number of shares initially listed were 584,085 shares at an offer price of ₱10.0 per share. Total number of common shareholders was 363 and 367 as of December 31, 2025 and 2024, respectively.

Capital Management

The main thrust of the Group's capital management policy is to ensure that the Parent Company maintains a good credit standing and a sound capital ratio to be able to support its business and maximize the value of its shareholders equity.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2025 and 2024.

Regulatory Framework

Regulators are interested in protecting the rights of the policyholders and maintain close vigil to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

Regulatory Capital Requirement

On January 13, 2015, the IC issued Circular Letter No. 2015-02-A clarifying the minimum capitalization and networth requirements of new and existing insurance companies in the Philippines. Based on the said Circular Letter, all domestic life and nonlife insurance companies duly licensed by the IC must have a net worth of at least ₱550,000,000 by December 31, 2016.

The minimum net worth of the said companies shall remain unimpaired at all times and shall increase to the amounts as follows:

<u>Minimum Net worth</u>	<u>Compliance Date</u>
₱550,000,000	December 31, 2016
900,000,000	December 31, 2021
1,300,000,000	December 31, 2022

As of December 31, 2025 and 2024, The Group has complied with the minimum paid-up capital and net worth requirements.

Risk-based Capital Requirements (RBC)

Life Insurance

In 2006, the IC issued Memorandum Circular (IMC) No. 6-2006 adopting a risk-based capital framework to establish the required amounts of capital to be maintained by the life insurance companies in relation to their investment and insurance risks. The investments and insurance risks of the company are classified under four major categories as asset default risk, insurance pricing risk, interest rate risk and general business risk.



The RBC ratio shall be calculated as net worth divided by the RBC requirement. Net worth shall include the company’s paid-up capital, capital in excess of par value, contributed and contingency surplus and unassigned surplus. Revaluation and fluctuation reserve accounts shall form part of net worth only to the extent authorized by the IC.

In 2016, the IC issued Circular Letter No. 2016-68, Amended Risk-Based Capital (RBC2) Framework, pursuant to Section 437 of the Amended Insurance Code. The RBC ratio shall be calculated as Total Available Capital (TAC) divided by the RBC requirement.

TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis (e.g. Capital Stock, Statutory Deposit, Capital Stock Subscribed, Contributed Surplus, etc.). Tier 2 Capital does not have the same high quality characteristics of Tier 1 capital, but can provide an additional buffer to the insurer [e.g. Appraisal Increment – Property and Equipment, Remeasurement Gains (Losses) on Retirement Pension Asset (Obligation)]. Tier 2 Capital shall not exceed 50% of Tier 1 Capital.

Every life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. The trend test has failed, in the event that:

- a. The RBC ratio is less than 125% but is not below 100%
- b. The RBC ratio has decreased over the past year
- c. The difference between RBC ratio and the decrease in the RBC ratio over the past year is less than 100%

Failure to meet the RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

Below is the estimated RBC ratio in 2025 and approved RBC ratio in 2024 (based on IC approved Synopsis) for SLGFI:

	2025 (Estimated)	2024 (Actual)
Total available capital	₱6,170,111,401	₱7,387,821,679
RBC requirement	100%	100%
	652%	519%

The RBC ratio in 2025 can be determined only after the accounts of the Group have been examined by the IC.

Nonlife Insurance

IMC No. 7-2006 provides for the RBC framework for the non-life insurance industry to establish the required amounts of capital to be maintained by the companies in relation to their investment and insurance risks. Every non-life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels. The RBC ratio shall be calculated as net worth divided by the RBC requirement. Net worth shall include the company’s paid-up capital, contributed and contingency surplus and unassigned surplus. Revaluation and fluctuation reserve accounts shall form part of net worth only to the extent authorized by the IC. The RBC ratio of MICO is at 217% and 157% as of December 31, 2025 before IC examination and 2024 per synopsis, respectively. The RBC ratio in 2025 can be determined only after the accounts of the Company have been examined by the IC.



40. Retained Earnings

Retained Earnings Appropriation

As of December 31, 2025, appropriated retained earnings amounted to ₱1.7 billion for the planned investments covering various projects.

On November 22, 2024, the Company approved the reversal of the appropriation amounting to ₱3.50 billion, which was intended to be used to finance the Company's planned investment and business expansion.

On December 31, 2021, the Parent Company's BOD approved appropriation of retained earnings amounting to ₱3.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next 2-3 years. On the same date, the Parent Company approved the reversal of ₱2.5 billion appropriations made in 2019 and 2018 following the completion of its previous planned investment and business expansion.

On December 31, 2019, the Company's BOD approved additional appropriation of retained earnings amounting to ₱400 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

On December 31, 2018, the Company's BOD approved additional appropriation of retained earnings amounting to ₱2,100 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

Dividends Declaration

On July 21, 2023, the Company declared dividends of ₱38.82 million or ₱0.05 per share to ordinary shareholders on record as at August 4, 2023 and was subsequently paid on September 1, 2023.

On November 24, 2023 and April 12, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱1,705.0 billion and ₱0.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three (3) years, respectively.

On August 9, 2024, the Company declared dividends of ₱73.47 million or ₱0.05 per share to ordinary shareholders on record as at August 27, 2024 and was subsequently paid on September 6, 2024.

On August 8, 2025, the Company declared dividends of ₱264.47 million or ₱0.18 per share to ordinary shareholders on record as at August 27, 2025 and was subsequently paid on September 4, 2025.

Retained Earnings Available for Dividend Declaration

Retained earnings include ₱1,773.65 million and ₱1,769.35 million as of December 31, 2025 and 2024, respectively, representing treasury shares, appropriated retained earnings and deferred tax assets that are not available for dividend declaration. After reconciling items, the retained earnings of the Parent Company that are available for dividend declaration amounted to ₱5,772.79 million and ₱5,384.52 million as of December 31, 2025 and 2024, respectively.

Under the Tax Code, publicly-held Corporations are allowed to accumulate retained earnings in excess of capital stock and are exempt from improperly accumulated earnings tax.

Restrictions

The Group's retained earnings include accumulated earnings of subsidiaries, associate and joint venture amounting to ₱7,873.42 million and ₱6,549.40 million as of December 31, 2025 and 2024, respectively, not declared as dividends to the Group. Accordingly, these are not available for dividend declaration.



41. Non-controlling Interests

The summarized financial information attributable to non-controlling interests for significant subsidiaries as of and for the years ended December 31, 2025, 2024 and 2023 are as shown below:

	IPO ^(a)			SLRIHSI ^(b)			MICO Equities, Inc. and Subsidiaries ^(c)			Sunlife Grepa Financial Inc. and Subsidiaries ^(d)			RCBC Trust Corporation ^(e)		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Assets															
Current assets	₱5,581	₱4,802	₱3,805	₱26	₱14	₱22	₱24,636	₱32,986	₱38,889	₱61,763	₱51,570	₱45,618	₱548	₱461	₱-
Noncurrent assets	18,714	17,463	16,159	7,818	5,718	3,801	14,570	13,211	12,501	19,582	18,177	15,676	224	183	-
	24,295	22,265	19,964	7,844	5,732	3,823	39,206	46,198	51,390	81,345	69,747	61,294	772	644	-
Liabilities and Equity															
Current liabilities	4,036	3,878	3,257	4,105	2,015	97	25,810	33,795	39,454	53,894	45,816	40,076	228	282	-
Noncurrent liabilities	1,850	1,656	1,623	37	-	-	654	635	631	18,083	15,866	14,113	180	122	-
	5,886	5,533	4,880	4,142	2,015	97	26,464	34,430	40,085	71,977	61,682	54,189	408	404	-
Revenue	6,222	5,322	4,491	-	-	-	6,998	5,736	-	23,558	17,437	-	539	477	-
Net income (loss)	966	864	662	(16)	(9)	25	347	166	-	1,746	1,560	-	129	120	-
Total comprehensive income (loss)	2,282	1,855	2,543	(16)	(9)	25	1,007	461	-	2,119	1,560	-	127	112	-
Share of NCI in net assets	8,684	7,694	7,117	2,515	1,487	2,525	5,024	5,165	4,593	4,979	4,230	3,868	231	144	60
Share of NCI in net income (loss)	471	422	351	(6)	(4)	10	67	38	-	779	720	-	77	72	-
Dividends paid	130	107	103	-	-	-	-	-	-	402	416	-	-	-	-
Operating	1,679	1,747	1,114	(351)	(287)	(137)	(290)	(332)	(529)	3,046	2,782	1,548	145	311	-
Investing	(742)	(701)	(436)	(1,750)	(1,555)	(1,274)	(298)	(246)	190	(1,471)	(2,521)	(1,472)	(193)	(229)	-
Financing	(339)	(277)	(832)	2,109	1,834	10	71	(26)	(32)	(837)	(433)	(350)	(25)	105	100

(a) Proportion of ownership owned by non-controlling interests as of December 31, 2025 and 2023: 51.82%

(b) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 40.00% and 0.00%, respectively

(c) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 49.00% and 0.00%, respectively

(d) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 22.670% and 0.00%, respectively

(e) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 60.00% and 0.00%, respectively



Material Partly-Owned Subsidiaries

MEI

On April 25, 2023, the BOD of the Parent Company. approved the authority to enter in a Share Swap Agreement with the Ultimate Parent Company (PMMIC), whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI which is equivalent to 77.33% of MEI.

SLGFI

On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc. (GPLH) whereby the Parent Company will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and Grepa Realty Holdings Corporation (GRHC). As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.

RTC

In 2023, the Parent Company invested ₱40.0 million for a 40% stake in RCBC Trust Corporation.

SLRHSI

In February 2022, the Parent Company sold 1,612,759 common shares representing 14.64% ownership of SLRHSI to Sojitz Corporation. Further, on November 15, 2022, Sojitz Corporation subscribed and paid for additional authorized capital stock applied for by SLRHSI. Accordingly, the ownership stake of the Parent Company decreased from 100% to 60%.

IPO

In May 2019, the Parent Company sold the 281,642 shares of MESI to IPO, which represents 7% ownership in MESI. With this acquisition, MESI became 100% indirectly-owned subsidiary of the Parent Company through IPO. Subsequently, IPO issued 295,329,976 common shares from its unissued capital stock to AC, the parent company of AEI, in exchange for the merger of IPO and AEI, with IPO being the surviving corporation. Upon merger, the Parent Company's ownership interest over IPO was reduced from 67.34% to 48.18%. The non-controlling interest increased from 32.66% to 51.82% or an increase of ₱2.52 billion.

Operating Segment Information

For management purposes, the Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

The Group derives its revenue from the following reportable segments:

Property and Property services - represents property and project management services of the Group.

Education - primarily consists of revenues from IPO and subsidiaries in education and other related support services.



Automotive - represents automotive dealerships of the Group. The Car Dealership business of the Parent Company was consolidated under HI Cars, Inc. effective July 1, 2024.

Financial Services - consists of non-life and life insurance arm of the Group and trust and asset management.

Other Services - represent support services which cannot be directly identified with any of the reportable segments mentioned above. These include sale of pharmaceutical products, trading of consumer goods and rendering various services to the consumers.

Segment assets and liabilities exclude deferred income tax assets and liabilities. Inter-segment income arises from transactions that were made on terms equivalent to those that prevail in an arms-length transactions.

Management monitors construction revenue and segment net income for the purpose of making decisions about resource allocation. Segment performance is evaluated based on net income and construction revenue.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



(Amounts in Millions)

	Construction			Automotive			Education			Property and Services			Financial Services			Other Services			Eliminations			Consolidation		
	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023	2025	2024	2023
Revenue	-	-	5,327	4,897	5,706	5,309	6,222	5,322	4,491	1,325	1,217	1,079	30,970	23,941	-	1,374	810	682	(1,114)	(898)	(395)	43,674	36,097	11,904
Net Income (loss) attributable to share of parent	-	-	(257)	28	(86)	(59)	942	844	662	233	250	327	2,130	1,809	-	1,119	554	1,503	(2,310)	(1,017)	(798)	2,142	1,375	441
Other Information	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment assets	-	-	-	1,499	1,892	3,969	24,296	22,265	19,964	18,967	17,528	13,429	120,451	115,824	112,785	27,090	26,136	25,352	(16,722)	(16,002)	(10,995)	175,580	167,644	159,964
Deferred tax assets	-	-	-	(67)	(60)	(22)	(95)	(48)	(49)	(32)	(27)	(26)	(923)	(816)	(676)	-	(1)	(58)	(84)	(76)	(31)	(1,201)	(1,028)	(832)
Net segment assets	-	-	-	1,432	1,832	3,947	24,201	22,217	19,915	18,935	17,501	13,403	119,528	115,008	112,109	27,090	26,135	25,294	(16,806)	(16,078)	(11,026)	174,379	166,616	159,132
Segment liabilities	-	-	-	1,461	1,627	1,740	5,887	5,533	4,880	10,513	9,074	6,689	98,795	96,471	94,274	1,382	1,120	1,630	(48)	825	(8,390)	117,990	114,649	109,750
Income tax payable	-	-	-	(3)	-	-	(26)	(23)	(20)	(36)	(11)	(9)	(163)	(101)	(4)	(9)	(4)	(8)	-	-	-	(236)	(139)	(40)
Deferred tax liabilities	-	-	-	(14)	(6)	(341)	(1,009)	(903)	(795)	-	-	-	-	-	-	(278)	(282)	-	(911)	(911)	(88)	(2,213)	(2,102)	(1,990)
Net segment liabilities	-	-	-	1,444	1,621	1,399	4,852	4,608	4,065	10,477	9,063	6,680	98,632	96,370	94,270	1,095	834	1,622	(959)	(86)	(8,477)	115,541	112,408	107,720
Investments in associates and joint ventures	-	-	-	-	-	-	-	-	-	7	7	7	1,056	1,076	-	23,104	22,030	22,394	(19,010)	(18,268)	(2,028)	5,158	4,845	6,020
Equity in net earnings (losses) of associates	-	-	(366)	42	(146)	(96)	-	-	-	65	87	94	-	-	-	225	141	119	-	-	-	332	81	117
Cash flows arising from:																								
Operating activities	-	-	-	65	449	16	1,679	1,747	1,114	(408)	(241)	38	3,046	2,761	1,019	230	377	(287)	3,812	2,192	(991)	5,559	7,285	1,309
Investing activities	-	-	-	(26)	(668)	(2)	(742)	(701)	(436)	(3,093)	(4,188)	(4,011)	(1,471)	(2,996)	(1,282)	667	122	(5,986)	(6,823)	1,657	(7,089)	(7,596)	(6,774)	(7,729)
Financing activities	-	-	-	(64)	362	(39)	(339)	(277)	(832)	2,746	2,286	1,710	(837)	(354)	(382)	(800)	(501)	(3,799)	403	(499)	2,909	1,527	1,018	6,429
Capital expenditures	-	-	-	19	658	-	709	716	-	1,895	6	3,947	241	241	-	21	17	-	(227)	1,657	1,248	2,658	3,295	4,524
Interest income	-	-	24	3	1	1	82	68	64	5	16	40	91	504	-	12	12	40	-	-	(1)	193	601	115
Interest expense	-	-	(214)	(57)	(57)	(54)	(116)	(121)	(149)	(358)	(380)	(284)	(33)	(32)	-	(20)	(54)	(68)	5	13	-	(578)	(631)	(526)
Provision/ (Benefit) for income tax	-	-	(47)	(12)	18	(22)	(108)	(96)	(45)	(114)	(94)	(61)	(568)	(420)	-	(37)	(14)	(28)	(2)	(2)	-	(840)	(607)	(138)
Earnings (loss) before income tax	-	-	(210)	40	(104)	(37)	1,074	960	707	347	343	388	2,707	2,191	-	1,156	569	1,530	(805)	(673)	(251)	4,519	3,286	1,180
Earnings before income tax and depreciation and amortization	-	-	(210)	130	(52)	31	1,678	1,494	1,214	348	344	490	2,932	2,381	-	1,175	619	1,550	(723)	(563)	(263)	5,540	4,223	1,861
Noncash items:																								
Additional revaluation increment on land	-	-	-	-	-	1,038	-	1,101	4,517	-	-	-	-	-	329	-	-	-	1,111	-	(385)	1,111	1,101	3,290
Depreciation and amortization	-	-	-	90	52	68	605	534	507	1	1	102	225	191	-	19	50	20	81	110	(11)	1,021	938	681



43. Financial Instruments and Financial Risk Management Objectives and Policies

Management of Insurance Risk and Investment Risk of the Insurance Segment

Insurance Risk

Insurance risk pertains to the uncertainty of the amount and timing of any claim arising from the occurrence of an insured event. The principal risk the Group faces under an insurance contract is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated, and subsequent development of long-term claims.

Life insurance contracts

Terms and conditions

The Group principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for pre-determined amount.

Life insurance contracts offered by the Group mainly include whole life, term insurance, endowments and unit-linked products.

Whole life and term insurance are conventional products where lump sum benefits are payable on death.

Endowment products are savings products where lump sum benefits are payable after a fixed period or on death before the period is completed.

Unit-linked products differ from conventional policies in that a guaranteed percentage of each premium is allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.

The risks associated with the life and accident and health products are underwriting risk and investment risk.

The main risks the Group are exposed to include:

- Mortality risk - risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.



The table below sets out the Group's concentration of insurance risk based on the sum assured:

	2025		2024	
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance
Group life	1,177	₱377,679,000,730	1,218	₱280,571,195,367
Whole life	50,834	30,837,480,861	47,357	25,512,854,241
Endowment	11,999	13,041,048,877	10,486	10,882,309,210
Term	16,267	25,372,903,801	15,530	21,340,739,928
Accident and health	649	201,197,252,093	554	224,393,544,153
Variable unit-linked	117,968	143,485,363,512	112,752	131,444,789,433
	198,894	₱791,613,049,874	187,897	₱694,145,432,332

Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to insurance contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate at inception of the contract and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are subject to the provisions of the Code and guidelines set by the IC.

For insurance contracts, the Group determines the assumptions in relation to future deaths, illness or injury, policyholder experiences (lapses and surrenders) and investment returns at inception of the contract.

The reserves for traditional life insurance policies shall be valued, where appropriate, using the gross premium valuation. This is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate. The expected future cash flows shall be determined using best estimate assumptions with due regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

For policies with coverages one year or less and for the risk portion of variable unit-linked policies, unearned premium reserves method is used.

The key assumptions to which the estimation and adequacy testing of liabilities are particularly sensitive are as follows:

- **Mortality and morbidity rates**
Assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Group's actual experience. The increase in mortality and morbidity rates will increase the legal policy reserves and result in a corresponding decrease in profit or loss.
- **Discount rates**
The risk-free discount rate provided by IC shall be used for all cash flows to determine the liability of a traditional life insurance policy. The yield curve used as basis for the risk-free discount shall be obtained from the following sources:
 - For Philippine peso policies: BVAL rates
 - For US Dollar policies: International Yield Curve (IYC) from Bloomberg



The increase in discount rate will decrease the legal policy reserves and result in a corresponding increase in remeasurement on legal policy reserves in OCI.

- *Lapses and/or persistency rates*

Lapse and/or persistency rates reflective of the Group's actual experience are taken as the best estimate lapse and/or persistency assumption, with regard to changing Company practices and market conditions.

- *Non-guaranteed benefits*

The level of non-guaranteed benefits under traditional life insurance policies to be valued, including policy dividends, are determined with due regard to the Group's duty to treat its policyholders fairly and meet policyholders' reasonable expectations.

Non-life insurance contracts

The principal risk the Group faces under non-life insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis with retention limits varying by product line and territory. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The Group principally issues the following types of general insurance contracts: fire, motor car, personal accident, marine, engineering, bonds and miscellaneous casualty. The most significant risks arise from climate changes and natural disasters. These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry.

To further reduce the risk exposure, the Group requires strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims.



The Group further enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group also has limited its exposure level by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes to a predetermined maximum amount based on the Group's risk appetite as decided by management.

The tables below set out the concentration of the claims liabilities by type of contract (Note 14).

	2025		
	Gross	Reinsurers' Share	Net
Fire	10,006,099,573	P6,539,877,141	P3,466,222,432
Engineering	687,029,279	138,150,286	548,878,993
Marine cargo	554,827,793	168,594,598	386,233,195
Motor	459,445,839	445,662,464	13,783,375
Miscellaneous casualty	547,267,238	261,105,176	286,162,062
Bonds	125,337,103	5,013,484	120,323,619
Others	155,600,421	87,091,980	68,508,441
	P12,535,607,246	P7,645,495,129	P4,890,112,117

	2024		
	Gross	Reinsurers' Share	Net
Fire	P15,223,742,034	P12,280,475,827	P2,943,266,207
Engineering	779,493,719	405,297,655	374,196,064
Marine cargo	709,989,156	155,856,049	554,133,107
Motor	529,882,791	516,533,449	13,349,342
Miscellaneous casualty	631,481,997	311,205,612	320,276,385
Bonds	39,391,054	16,301,265	23,089,789
Others	204,535,280	8,322,596	196,212,684
	P18,118,516,031	P13,693,992,453	P4,424,523,578

Key assumptions

The principal assumption underlying the liability estimates is the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variations in interest, delays in settlement and changes in foreign currency rates.

Sensitivities

The insurance claims provision is sensitive to the above key assumptions. Because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting dates.



The table below shows the impact of changes in certain important assumptions in general insurance business while other assumptions remain unchanged. The correlation of assumptions will have a significant effect in determining the claims but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on individual basis.

2025				
	Change in Assumptions %	Impact on Gross Insurance Contract Liabilities Increase (Decrease)	Impact on Net Insurance Contract Liabilities Increase (Decrease)	Impact on Income Before Income Tax Increase (Decrease)
Average claim costs	+5%	₱221,998,128	₱173,507,071	(₱173,507,071)
Average number of claims	+5%	200,466,844	156,678,866	(156,678,866)
2024				
	Change in Assumptions %	Impact on Gross Insurance Contract Liabilities Increase (Decrease)	Impact on Net Insurance Contract Liabilities Increase (Decrease)	Impact on Income Before Income Tax Increase (Decrease)
Average claim costs	+5%	₱231,040,493	₱126,559,053	(₱126,559,053)
Average number of claims	+5%	220,879,433	120,993,041	(120,993,041)

Claims development table

The following tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting dates, together with cumulative payments to date.

The Group aims to maintain strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences are eliminated which results in the release of reserves from earlier accident years. In order to maintain strong reserves, the Group transfers much of this release to current accident year reserves when the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims.

The risks vary significantly in relation to the location of the risk insured by the Group, type of risks insured and in respect of commercial and business interruption insurance by industry.



Gross insurance contract liabilities in 2025

	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	50,635,642,640	2,778,160,692	16,303,949,183	5,152,181,821	5,007,851,812	6,924,129,835	14,674,208,685	18,556,878,985	2,437,945,300	2,391,831,363	3,322,022,042	3,322,022,042
One year later	53,115,782,030	2,204,242,454	18,299,290,724	4,324,850,674	5,289,925,868	7,089,827,891	13,238,768,283	18,485,126,714	3,052,445,226	3,112,638,167	-	3,112,638,167
Two years later	50,592,456,706	2,666,854,516	12,850,855,048	2,898,163,316	3,946,523,855	7,007,800,871	11,289,359,077	17,939,522,845	3,026,312,432	-	-	3,026,312,432
Three years later	50,265,855,724	2,440,854,403	11,393,284,999	3,050,357,046	3,976,942,644	6,738,249,928	9,965,814,231	11,764,590,033	-	-	-	11,764,590,033
Four years later	49,293,398,765	2,404,164,214	8,291,858,165	3,056,028,662	3,860,159,852	6,457,348,073	9,933,631,019	-	-	-	-	9,933,631,019
Five years later	49,426,950,876	2,369,119,889	8,302,210,468	3,006,077,282	3,949,903,233	6,433,130,825	-	-	-	-	-	6,433,130,825
Six years later	48,876,538,885	2,367,536,588	8,303,440,088	3,198,146,041	3,920,835,647	-	-	-	-	-	-	3,920,835,647
Seven years later	47,848,362,622	2,367,949,129	8,290,977,612	3,228,468,999	-	-	-	-	-	-	-	3,228,468,999
Eight years later	46,530,122,806	2,329,748,482	8,290,554,281	-	-	-	-	-	-	-	-	8,290,554,281
Nine years later	50,938,859,724	2,330,880,438	-	-	-	-	-	-	-	-	-	2,330,880,438
Ten years later	50,799,384,801	-	-	-	-	-	-	-	-	-	-	50,799,384,801
Current estimate of cumulative claims	50,799,384,801	2,330,880,438	8,290,554,281	3,228,468,999	3,920,835,647	6,433,130,825	9,933,631,019	11,764,590,033	3,026,312,432	3,112,638,167	3,322,022,042	106,162,448,684
Cumulative payments to date	46,638,052,184	2,309,319,015	8,099,367,180	3,156,638,129	3,762,322,538	6,009,800,424	8,571,032,352	9,844,096,823	1,456,278,760	2,606,060,597	1,173,873,436	93,626,841,438
Liability recognized	4,161,332,617	21,561,423	191,187,101	71,830,870	158,513,109	423,330,401	1,362,598,667	1,920,493,210	1,570,033,672	506,577,570	2,148,148,606	12,535,607,246

Net insurance contract liabilities in 2025

	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	7,421,645,816	739,180,540	1,035,722,782	1,837,332,485	1,738,787,490	1,209,989,312	1,522,823,993	1,794,948,588	2,427,305,011	7,994,741,912	2,626,768,615	2,626,768,615
One year later	6,752,614,028	800,920,334	2,321,614,057	1,455,933,765	1,454,312,884	795,905,554	2,225,849,984	1,932,839,163	3,122,993,180	8,489,554,808	-	8,489,554,808
Two years later	6,387,049,794	680,821,618	1,606,175,280	1,235,763,902	1,126,999,031	438,841,168	1,868,924,559	2,454,933,171	3,206,816,994	-	-	3,206,816,994
Three years later	6,323,493,732	635,193,051	1,513,323,213	1,193,030,660	1,131,511,364	372,301,064	3,630,857,123	2,425,179,196	-	-	-	2,425,179,196
Four years later	5,101,737,588	645,687,555	1,478,405,807	1,195,765,483	1,101,854,017	434,341,812	3,647,275,364	-	-	-	-	3,647,275,364
Five years later	3,191,662,611	620,828,717	1,862,474,539	1,165,959,084	1,363,646,519	436,580,421	-	-	-	-	-	436,580,421
Six years later	2,108,113,836	622,218,449	1,840,115,768	1,663,086,447	1,344,362,225	-	-	-	-	-	-	1,344,362,225
Seven years later	2,021,032,001	622,517,462	1,833,883,972	1,668,092,606	-	-	-	-	-	-	-	1,668,092,606
Eight years later	1,972,491,433	623,056,019	1,834,090,686	-	-	-	-	-	-	-	-	1,834,090,686
Nine years later	1,924,452,490	624,164,680	-	-	-	-	-	-	-	-	-	624,164,680
Ten years later	1,965,613,746	-	-	-	-	-	-	-	-	-	-	1,965,613,746
Current estimate of cumulative claims	1,965,613,746	624,164,680	1,834,090,686	1,668,092,606	1,344,362,225	436,580,421	3,647,275,364	2,425,179,196	3,206,816,994	8,489,554,808	2,626,768,615	28,268,499,341
Cumulative payments to date	1,751,942,193	619,770,839	1,816,576,469	1,646,774,380	1,278,839,582	393,138,404	3,354,605,927	2,155,056,995	2,308,095,102	7,615,191,732	438,395,601	23,378,387,224
Liability recognized	213,671,553	4,393,841	17,514,217	21,318,226	65,522,643	43,442,017	292,669,437	270,122,201	898,721,892	874,363,076	2,188,373,014	4,890,112,117



Gross insurance contract liabilities in 2024

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	48,204,429,754	2,241,711,221	2,799,793,230	16,241,504,382	5,153,102,963	4,980,155,446	6,924,129,835	14,674,208,685	18,556,878,985	2,437,945,300	1,388,055,748	1,388,055,748
One year later	50,582,301,279	2,430,353,637	2,234,422,165	18,339,504,260	4,314,430,428	5,217,162,712	7,089,827,891	13,238,768,283	18,485,126,714	3,052,445,226	–	3,052,445,226
Two years later	48,408,111,100	2,097,507,943	2,697,029,812	12,875,210,213	2,911,397,003	3,866,860,164	7,007,800,871	11,289,359,077	17,939,522,845	–	–	17,939,522,845
Three years later	47,807,684,714	2,373,482,959	2,469,757,830	11,418,242,025	3,069,592,912	3,891,154,806	6,738,249,928	9,965,814,231	–	–	–	9,965,814,231
Four years later	46,992,142,337	2,216,378,096	2,433,059,468	8,315,487,173	3,072,692,319	3,778,447,121	6,457,348,073	–	–	–	–	6,457,348,073
Five years later	47,186,108,643	2,157,049,376	2,398,513,892	8,325,046,330	3,037,695,158	3,853,293,091	–	–	–	–	–	3,853,293,091
Six years later	46,635,133,096	2,156,232,494	2,397,092,418	8,325,860,856	3,230,784,458	–	–	–	–	–	–	3,230,784,458
Seven years later	45,618,562,168	2,147,791,124	2,397,527,933	8,313,293,051	–	–	–	–	–	–	–	8,313,293,051
Eight years later	44,308,332,480	2,147,677,617	2,359,306,970	–	–	–	–	–	–	–	–	2,359,306,970
Nine years later	48,724,539,360	2,142,409,177	–	–	–	–	–	–	–	–	–	2,142,409,177
Ten years later	35,547,068,514	–	–	–	–	–	–	–	–	–	–	35,547,068,514
Current estimate of cumulative claims	35,547,068,514	2,142,409,177	2,359,306,970	8,313,293,051	3,230,784,458	3,853,293,091	6,457,348,073	9,965,814,231	17,939,522,845	3,052,445,226	1,388,055,748	94,249,341,384
Cumulative payments to date	31,277,120,953	2,116,955,473	2,337,374,511	8,121,003,338	3,055,753,391	3,623,131,705	5,721,584,226	8,258,241,040	9,813,927,474	636,743,889	1,168,989,354	76,130,825,354
Liability recognized	4,269,947,561	25,453,704	21,932,459	192,289,713	175,031,067	230,161,386	735,763,847	1,707,573,191	8,125,595,371	2,415,701,337	219,066,394	18,118,516,030

Net insurance contract liabilities in 2024

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	5,612,840,930	1,804,868,817	739,562,893	1,038,422,353	1,827,218,079	1,727,128,442	1,209,989,312	1,522,823,993	1,794,948,588	2,427,305,011	7,994,741,912	7,994,741,912
One year later	4,799,426,752	1,940,950,234	831,100,045	2,361,827,593	1,436,546,906	1,390,662,826	795,905,554	2,225,849,984	1,932,839,163	3,122,993,180	–	3,122,993,180
Two years later	4,696,295,469	1,677,133,217	710,996,914	1,630,530,445	1,241,795,248	1,054,655,343	438,841,168	1,868,924,559	2,454,933,171	–	–	2,454,933,171
Three years later	5,767,051,850	544,665,549	663,883,264	1,538,496,936	1,205,064,186	1,053,043,530	372,301,064	3,630,857,123	–	–	–	3,630,857,123
Four years later	4,591,563,857	498,593,050	674,369,595	1,502,251,512	1,205,226,779	1,027,461,290	434,341,812	–	–	–	–	434,341,812
Five years later	2,716,653,787	464,078,188	650,009,506	1,885,527,098	1,186,478,180	1,278,316,475	–	–	–	–	–	1,278,316,475
Six years later	1,633,938,105	463,023,606	651,561,065	1,862,753,233	1,684,683,351	–	–	–	–	–	–	1,684,683,351
Seven years later	1,546,575,549	463,333,882	651,883,052	1,856,416,108	–	–	–	–	–	–	–	1,856,416,108
Eight years later	1,498,239,684	463,219,427	652,401,293	–	–	–	–	–	–	–	–	652,401,293
Nine years later	1,452,219,159	461,242,260	–	–	–	–	–	–	–	–	–	461,242,260
Ten years later	1,454,266,057	–	–	–	–	–	–	–	–	–	–	1,454,266,057
Current estimate of cumulative claims	1,454,266,057	461,242,260	652,401,293	1,856,416,108	1,684,683,351	1,278,316,475	434,341,812	3,630,857,123	2,454,933,171	3,122,993,180	7,994,741,912	25,025,192,742
Cumulative payments to date	1,260,648,597	455,621,034	647,636,416	1,838,422,717	1,640,323,105	1,161,392,087	333,906,117	3,020,993,550	1,991,465,926	1,912,915,834	6,337,343,781	20,600,669,164
Liability recognized	193,617,460	5,621,226	4,764,877	17,993,392	44,360,246	116,924,388	100,435,695	609,863,573	463,467,245	1,210,077,346	1,657,398,131	4,424,523,578



Investment Risk

The investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments.

Additionally, there exists a future investment risk associated with certain policies currently in force which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future premium receipts while continuing to maintain satisfactory investment quality.

The Group's strategy is to invest primarily in high quality securities while maintaining diversification to avoid significant exposure to issuer, industry and or country concentrations. Another strategy is to produce cash flows required to meet maturing insurance liabilities. The Group invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. Financial assets at FVOCI are subject to changes in fair value. Generally, insurance regulations restrict the type of assets in which an insurance company may invest.

Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to raise finances for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, market risk, and credit risk. The BOD reviews and agrees on the policies for managing these risks, as well as approving and authorizing risk limits set by management, summarized below. There were no changes in the policies for managing these risks.

a. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations as they fall due. The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and funding requirements, the Group intends to use internally generated funds and available short-term and long-term credit facilities.

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date.

The tables below summarize the maturity profile of the Group Company's financial assets and liabilities as of December 31 based on contractual undiscounted payments.



	2025				
	Up to a year	1-5 years	More than 5 years	No maturity date	Total
Financial Assets					
Cash and cash equivalents*	₱7,892,968,769	₱-	₱-	₱-	₱7,892,968,769
Receivables	10,476,842,736	-	-	-	10,476,842,736
Loans and receivables	1,417,259,547	442,604,349	678,879,557	-	2,538,743,453
Segregated fund assets	-	-	-	49,029,028,334	49,029,028,334
Reinsurance Assets	11,354,431,818	-	-	-	11,354,431,818
Financial assets at FVTPL*	1,424,461,957	47,380,620	8,071,039,224	774,312,891	10,317,194,692
Financial assets at FVOCI	5,419,664,830	1,612,659,053	18,883,370,513	1,074,738,915	26,990,433,311
Investment securities at amortized cost*	1,241,870	184,521,036	5,096,321,514	-	5,282,084,420
Total	₱37,986,871,527	₱2,287,165,058	₱32,729,610,808	₱50,878,080,140	₱123,881,727,533
Financial Liabilities					
Accounts Payable and other current liabilities	₱8,268,072,019	₱-	₱-	₱-	₱8,268,072,019
Segregated fund liabilities	1,798,681,670	-	-	47,230,346,664	49,029,028,334
Contract liabilities	1,633,036,538	-	-	-	1,633,036,538
Insurance contract liabilities**	42,162,587,078	743,010,855	209,776,905	-	43,115,374,838
Lease contract liabilities*	626,053,720	17,604,458	-	-	643,658,178
Total	₱54,488,431,025	₱760,615,313	₱209,776,905	₱47,230,346,664	₱102,689,169,907

*Including future interest

**Excluding legal policy reserves

	2024				
	Up to a year	1-5 years	More than 5 years	No maturity date	Total
Financial Assets					
Cash and cash equivalents*	₱8,293,005,389	₱-	₱-	₱-	₱8,293,005,389
Receivables	11,262,666,490	-	-	-	11,262,666,490
Loans receivables	1,494,794,715	564,789,644	258,003,732	-	2,317,588,091
Segregated fund assets	4,572,477,590	-	-	37,569,985,225	42,142,462,815
Reinsurance Assets	18,355,961,194	-	-	-	18,355,961,194
Financial assets at FVTPL*	7,086,869,792	214,662,673	4,774,261,903	601,858,275	12,677,652,643
Financial assets at FVOCI	22,085,750,660	2,378,801,601	13,973,972,300	1,085,590,674	39,524,115,235
Investment securities at amortized cost*	4,063,752,999	315,549,140	2,897,049,785	-	7,276,351,924
Total	₱77,215,278,829	₱3,473,803,058	₱21,903,287,720	₱39,257,434,174	₱141,849,803,781
Financial Liabilities					
Accounts Payable and other current liabilities	₱8,070,126,550	₱12,431,504	₱-	₱-	₱8,082,558,054
Segregated fund liabilities	4,572,477,590	-	-	37,569,985,225	42,142,462,815
Contract liabilities	1,464,893,638	112,250,951	-	-	1,577,144,589
Insurance contract liabilities**	44,159,077,840	692,210,021	242,670,074	-	45,093,957,935
Lease contract liabilities*	167,708,899	562,687,392	-	-	730,396,291
Total	₱58,434,284,517	₱1,379,579,868	₱242,670,074	₱37,569,985,225	₱97,626,519,684

*Including future interest

**Excluding legal policy reserves

b. Market risk

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

Equity price risk

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as available-for-sale securities.

Quoted equity investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity investments at FVTPL and FVOCI.



Equity investments at FVTPL and FVOCI are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The analysis below is performed for reasonably possible movements in the market index with all other variables held constant, showing the impact on equity.

Market Index	2025		2024	
	Change in variable	Effect on equity	Change in variable	Effect on equity
PSE	15.00% (15.00%)	269,998,360 (269,998,360)	9.78% (9.78%)	182,516,284 (182,516,284)
Others	15.00% (15.00%)	143,432,717 (143,432,717)	15.00% (15.00%)	115,096,913 (115,096,913)

c. *Credit risk*

The Group's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Group. The Group manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset.

The table below shows the credit quality of the Group's financial assets as of December 31:

	2025				
	Neither Past Due Nor Impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at fair value through profit or loss	₱10,072,805,922	₱244,388,770	₱-	₱-	₱10,317,194,692
Financial assets at fair value through other comprehensive income	25,873,433,017	1,117,000,296	-	-	26,990,433,313
Investment securities at amortized cost	5,282,084,420	-	-	-	5,282,084,420
Cash and cash equivalents	7,891,348,655	1,619,700	-	414	7,892,968,769
Receivables	4,284,485,730	671,633,885	5,512,959,205	7,763,915	10,476,842,735
Loans receivables	2,503,161,083	24,736,630	-	10,845,740	2,538,743,453
Segregated fund assets	49,029,028,334	-	-	-	49,029,028,334
Reinsurance Assets	11,354,431,818	-	-	-	11,354,431,818
Total	₱116,290,778,979	₱2,059,379,281	₱5,512,959,205	₱18,610,069	₱123,881,727,534



	2024				
	Neither Past Due Nor Impaired		Past due		Total
	High Grade	Standard Grade	but not impaired	Impaired	
Financial assets at fair value through profit or loss	₱7,319,353,492	₱117,612,021	₱ –	₱ –	₱7,436,965,513
Financial assets at fair value through other comprehensive income	24,884,027,165	666,115,770	–	–	25,550,142,935
Investment securities at amortized cost	4,379,302,139	–	–	–	4,379,302,139
Cash and cash equivalents	8,291,640,861	1,363,700	–	414	8,293,004,975
Receivables	4,138,088,972	2,286,685,236	4,866,048,717	579,293,451	11,870,116,376
Loans receivables	1,932,990,951	126,593,408	–	5,865,171	2,065,449,530
Segregated fund assets	42,142,462,815	–	–	–	42,142,462,815
Reinsurance Assets	18,355,961,194	–	–	–	18,355,961,194
Total	₱111,443,827,589	₱3,198,370,135	₱4,866,048,717	₱585,159,036	₱120,093,405,477

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for various customer segments. With similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

	2025					Total
	Current	Days past due				
		1-30 days	31-60 days	61-90 days	>90 days	
Expected credit loss rate	0%	0%	0%	0%	69%	69%
Carrying value	5,572,468,756	3,350,607,255	1,026,452,796	255,682,324	884,775,474	11,089,986,605
Expected credit loss					613,143,869	613,143,869

	2024					Total
	Current	Days past due				
		1-30 days	31-60 days	61-90 days	>90 days	
Expected credit loss rate	0%	0%	0%	0%	36%	36%
Carrying value	9,265,443,885	114,527,947	349,472,999	219,992,197	1,667,278,468	11,616,715,496
Expected credit loss	–	–	–	–	607,449,886	607,449,886

e. Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The tables below summarize the Company's exposure to foreign currency exchange rate risks by categorizing financial assets and liabilities by major currencies in PHP denomination.

	2025			Total
	US Dollars	Euro	Others	
Financial Assets				
Cash and cash equivalents	426,660,397	81,705,299	458,203,228	1,538,611,385
Financial assets at FVTPL	1,235,859,158	10,446,120	62,159,244	1,308,464,522
Financial assets at FVOCI	3,036,243,955	8,097,380	44,250,534	5,363,306,477
Investment at amortized cost	489,152,680	–	–	489,152,680
Loans and receivables	1,345,620,940	107,796,412	74,750,996	1,581,412,876
Accrued income	37,900	–	–	37,900
	6,533,575,030	208,045,211	639,364,002	10,280,985,840
Financial Liabilities				
Accounts payable	1,988,075	–	–	1,988,075
Premium deposit funds	–	–	–	–
Insurance contract liabilities	670,648,786	–	8,735,881	1,648,540,535
	672,636,861	–	8,735,881	1,650,528,610



The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, euro and other currency exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the foreign exchange rate).

Currency	Change in rate	Impact on income before tax increase (decrease)		Change in rate	Impact on income before tax increase (decrease)	
		2025			2024	
US Dollar	+5%	₱251,104,735		+5%	₱363,197,930	
	-5%	(251,104,735)		-5%	(363,197,930)	
Euro	+5%	944,827		+5%	245,930	
	-5%	(944,827)		-5%	(245,930)	
Others*	+5%	6,951,789		+5%	4,756,590	
	-5%	(6,951,789)		-5%	(4,756,590)	

*Others include Australian dollar, Canadian dollar, Japanese yen, Hong Kong dollar, British pound, Swiss franc, Indonesian rupiah, Singaporean dollar, Swedish krona, Norwegian krone, Danish krone, and New Zealand dollar

f. Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fixed rate investments in particular are exposed to such risk.

The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets.

The following table sets out the Group's financial assets exposed to interest rate risk by maturity:

	Interest Rate	2025				Total
		Within one year	1-3 years	More than 3 years		
Cash and cash equivalents	4.8% - 6.25%	₱1,854,654,390	₱-	₱-	₱1,854,654,390	
Short-term investments	0.50% to 4.625%	2,761,894	-	-	2,761,894	
Financial assets at FVTPL	3.5% - 8.70%	103,608,411	46,466,556	7,993,980,027	8,144,054,994	
Financial assets at FVOCI	1.648% - 11.25%	725,532,313	1,540,026,515	18,387,976,723	20,653,535,551	
Investment securities at amortized cost	1.648% - 8.00%	65,053,498	1,206,488,444	4,010,542,478	5,282,084,420	
Policy loans	6.00% to 8.00%	626,414,240	-	-	626,414,240	
Long-term commercial papers	5.85% to 7.26%	240,330,927	412,508,257	625,000,000	1,277,839,184	
Notes receivable	1.00% - 8.00%	21,121,981	-	-	21,121,981	
Security fund	5%	962,325	-	-	962,325	
Total interest-bearing financial assets		₱3,640,439,979	₱3,205,489,772	₱31,017,499,228	₱37,863,428,979	

	Interest Rate	2024				Total
		Within one year	1-3 years	More than 3 years		
Cash and cash equivalents	4.80% - 6.25%	₱2,350,354,720	₱-	₱-	₱2,350,354,720	
Short-term investments	0.25% - 4.90%	2,309,272	-	-	2,309,272	
Financial assets at FVTPL	3.50% - 8.70%	115,743,160	139,958,238	5,908,708,519	6,164,409,917	
Financial assets at FVOCI	1.65% - 10.63%	2,378,640,344	1,456,775,543	15,789,784,309	19,625,200,196	
Investment securities at amortized cost	1.65% - 8.00%	75,349,025	288,745,548	3,831,032,652	4,195,127,225	
Policy loans	6.00% - 8.00%	592,414,145	-	-	592,414,145	
Long-term commercial papers	3.3% - 7.26%	524,705,274	379,496,058	213,300,000	1,117,501,332	
Notes receivable	1.00% - 8.00%	4,705,737	13,262,349	1,370,139	19,338,225	
Security fund	4.76%	909,737	-	-	909,737	
Total interest-bearing financial assets		₱6,045,131,414	₱2,278,237,736	₱25,744,195,619	₱34,067,564,769	



The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the FVOCI debt securities, with all other variables held constant, of the Group's equity:

Currency	Change in basis points	Impact on equity Increase (decrease)	
		2025	2024
Philippine Peso	+ 100	₱232,706,517	₱199,688,263
U.S. Dollar	+ 100	103,529,566	91,525,345
Philippine Peso	- 100	481,890,239	308,694,913
U.S. Dollar	- 100	157,611,573	147,273,472

Fair Value of Financial Instruments

Due to the short-term nature of cash and cash equivalents, receivables, accounts payable and other liabilities, loans payable, and due to related parties their carrying values approximate their fair values at reporting dates.

Financial assets at FVTPL and FVOCI

The fair values of financial assets at FVTPL and FVOCI were determined using quoted market prices at the reporting date. For unquoted equity securities, these are carried at cost less allowance for impairment losses due to unpredictable nature of future cash flows and the lack of other suitable methods of arriving at a reliable fair value. For unquoted debt securities, these are measured using pricing models that consider, among other factors, contractual and market prices, correlation, time value, credit risk, yield curve volatility factors and or prepayment rates of the underlying positions.

Long-term debt

The fair value of long-term loans and receivables is estimated using discounted cash flow technique that makes use of BVAL rates in 2025 and 2024.

Fair value hierarchy

Summarized below how the Company classifies its financial assets at fair value.

	2025			Total
	Level 1	Level 2	Level 3	
<i>Assets measured at fair value:</i>				
Financial assets at FVTPL	₱2,414,508,022	₱7,902,686,670	₱-	₱10,317,194,692
Financial assets at FVOCI	7,334,903,114	19,655,237,785	292,414	26,990,433,313
Property and equipment at revalued amount	-	-	16,051,693,503	16,051,693,503
	9,749,411,136	27,557,924,455	16,051,985,917	53,359,321,508
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	12,294,404,802	12,294,404,802
	₱9,749,411,136	₱27,557,924,455	₱28,346,390,719	₱65,653,726,310
	2024			Total
	Level 1	Level 2	Level 3	
<i>Assets measured at fair value:</i>				
Financial assets at FVTPL	₱1,944,372,052	₱5,959,018,688	₱-	₱7,903,390,740
Financial assets at FVOCI	24,703,642,102	846,500,833	-	25,550,142,935
Property and equipment at revalued amount	-	-	15,015,152,509	15,015,152,509
	26,648,014,154	6,805,519,521	15,015,152,509	48,468,686,184
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	12,395,384,044	12,395,384,044
	₱26,648,014,154	₱6,805,519,521	₱27,410,536,553	₱60,864,070,228



The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As of December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

44. Changes in Liabilities Arising from Financing Activities

	2025			
	January 1, 2024	Net cash flows	Non-cash movement	December 31, 2025
Loans payable (Note 26)	₱5,635,000,000	₱4,763,665,000	₱ –	₱10,398,665,000
Long-term debt (Note 27)	4,813,687,408	(3,797,993,846)	3,032,500	1,018,726,062
Lease liabilities (Note 22)	730,396,291	(282,640,574)	392,936,589	840,692,306
	₱11,179,083,699	₱683,030,580	₱395,969,089	₱12,258,083,368

	2024			
	January 1, 2023	Net cash flows	Non-cash movement	December 31, 2024
Loans payable (Note 26)	₱3,971,142,021	₱1,663,857,979	₱–	₱5,635,000,000
Long-term debt (Note 27)	4,880,345,170	(32,573,600)	(34,084,162)	4,813,687,408
Lease liabilities (Note 22)	607,983,302	(192,747,017)	315,160,006	730,396,291
	₱9,459,470,493	₱1,438,537,362	₱281,075,844	₱11,179,083,699

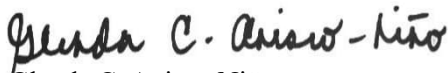


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and the Stockholders
House of Investments, Inc.
9th Floor, Grepalife Building
221 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

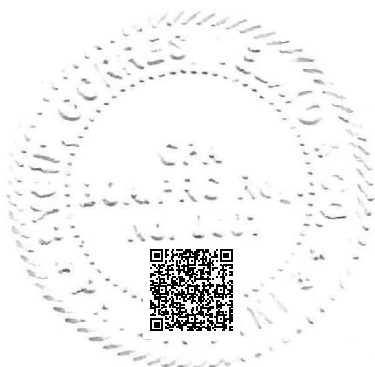
SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026




INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and the Stockholders
House of Investments, Inc.
9th Floor, Grepalife Building
221 Sen. Gil J. Puyat Avenue
Makati City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

Tax Identification No. 225-158-629

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 114462-SEC (Group A)

Valid to cover audit of 2022 to 2026 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028

PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON
REVISED SRC RULE 68
DECEMBER 31, 2025

Philippine Securities and Exchange Commission (SEC) issued the Revised Securities Regulation Code (SRC) Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for the purpose of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

Below is the schedule of Financial Assets of the Group as of December 31, 2025.

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at FVTPL				
Philippine Treasury	10,000,000	9,991,036	9,991,036	50,518
Philippine Treasury	50,000,000	49,389,505	49,389,505	238,353
Philippine Treasury	50,000,000	49,345,812	49,345,812	239,234
Philippine Treasury	50,000,000	48,729,797	48,729,797	228,750
Philippine Treasury	50,000,000	48,634,269	48,634,269	228,153
Philippine Treasury	10,000,000	9,657,133	9,657,133	41,693
Philippine Treasury	20,000,000	19,072,671	19,072,671	32,784
BNY Mellon - listed equity securities	various	152,654,576	152,654,576	2,586,865
BNY Mellon - funds	various	92,481,996	92,481,996	-
Ayala Land Inc	204,000	4,579,800	4,579,800	118,646
SM Prime Holdings	38,500	875,875	875,875	18,480
SM Investments Corp	3,800	2,658,100	2,658,100	49,400
FAMI SAVE AND LEARN	7,722,208	33,769,988	33,769,988	-
FAMI Consumer Fund	26,851,977	14,927,014	14,927,014	-
Sun Life Grepa	23,349,557	26,590,476	26,590,476	-
RCBC Blue Chip Equity Fund	57,907,099	46,146,225	46,146,225	-
Rizal Equity Fund	14,142,496	46,950,513	46,950,513	-
RCBC Dividend Equity Fund	11,956,988	12,894,392	12,894,392	-
BNY Mellon - listed equity securities	various	201,265,868	201,265,868	1,883,014
BNY Mellon - funds	various	64,972,659	64,972,659	272,211
UBS (CS) - listed equity securities	various	172,948,277	172,948,277	1,205,545
UBS (CS) - funds	various	266,567,140	266,567,140	479,967
UBS - listed equity securities	various	5,442,249	5,442,249	15,936
Julius Baer - funds	various	2,421,031	2,421,031	181,972
LGT - funds	various	15,860,404	15,860,404	135,430
SMCGL 5.7% PERP	8,903,988	8,984,436	8,984,436	961,321
SMCGL 8.125%	5,645,012	5,765,701	5,765,701	-
GLOBE 4.2% 2070	11,639,200	11,710,733	11,710,733	481,298
UBS (CS) - private bonds	-	-	-	818,825
UBS - private bonds	various	102,874,269	102,874,269	2,239,613
Julius Baer - private bonds	various	121,113,573	121,113,573	6,659,631
LGT1 - private bonds	various	46,466,556	46,466,556	3,272,452
LGT2 - private bonds	various	36,935,054	36,935,053	317,756
Standard Chartered Bank XS2543127547	220,000,000	225,918,000	225,918,000	9,086,458
Standard Chartered Bank XS2537432473	100,000,000	102,190,000	102,190,000	233,333
DBS Bank Ltd XS2478986628	340,000,000	353,482,700	353,482,700	771,288
Goldman Sachs XS1999006338	420,000,000	443,016,000	443,016,000	387,333
ING Bank N.V. XS2498954820	399,973,450	405,253,100	405,253,100	8,464,994
Bank of America Corporation XS2814753120	60,000,000	59,625,000	59,625,000	1,906,817
ING Bank N.V. XS2498954747	419,985,062	444,957,374	444,957,374	18,482,143
Morgan Stanley Finance LLC XS3088240042	350,000,000	348,841,500	348,841,500	6,636,778
Citigroup Global Markets Holdi XS2761197966	440,000,000	444,136,000	444,136,000	930,356
Bank of America Corporation XS2769675922	150,000,000	153,150,000	153,150,000	5,451,458
Goldman Sachs XS2061650490	420,000,000	443,520,000	443,520,000	18,676,000
DBS Bank Ltd XS2478990497	500,000,000	518,333,000	518,333,000	1,121,096
General Motors Co XS3233491698	500,000,000	502,050,000	502,050,000	3,304,110
JP Morgan PHP Note XS1449419263	300,000,000	294,570,000	294,570,000	4,606,500
Bank of America Corporation XS2769675500	200,000,000	202,400,000	202,400,000	7,056,389
Standard Chartered Bank XS2545646213	410,000,000	419,471,000	419,471,000	16,156,563
Bank of America Corporation XS2711528252	420,000,000	422,940,000	422,940,000	872,667
Nomura Bank International Plc XS2537431665	400,000,000	409,320,000	409,320,000	15,513,444
Standard Chartered Bank XS2541313420	100,000,000	102,820,000	102,820,000	4,116,667
Nomura Bank International Plc XS2544578250	430,000,000	441,266,000	441,266,000	17,749,206
BNP Paribas XS3070749158	500,000,000	500,345,000	500,345,000	12,988,889
Citigroup Global Markets Holdi XS2541416231	400,000,000	426,080,000	426,080,000	1,038,887
JP MORGAN STRUCT XS1449447397	150,000,000	146,520,000	146,520,000	2,722,500
SLG New Block Asset Pool PHP	56,133,279	61,773,208	61,773,208	-
SLG Old Block Asset Pool PHP	51,951,643	57,204,771	57,204,771	-
SLG Wealth Prime	67,430,181	74,115,074	74,115,074	-
SLG Balanced Fund	1,500,000	1,639,050	1,639,050	-
SLG Bond Fund	1,500,000	2,273,100	2,273,100	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
SLG Captains Fund	10,000,000	7,801,000	7,801,000	-
SLG Dynamic Fund	10,000,000	8,803,000	8,803,000	-
SLG Equity Fund	1,500,000	1,556,550	1,556,550	-
SLG Growth Fund	1,500,000	1,529,400	1,529,400	-
SLG Growth PLUS Fund	10,000,000	10,270,000	10,270,000	-
SLG Income Fund	1,500,000	2,397,600	2,397,600	-
SLG Index Fund	10,000,000	7,229,000	7,229,000	-
SLG Money Market Fund	10,000,000	11,503,000	11,503,000	-
SLG MyFuture 2030 Fund	10,000,000	9,438,000	9,438,000	-
SLG MyFuture 2035 Fund	10,000,000	8,692,000	8,692,000	-
SLG MyFuture 2040 Fund	10,000,000	8,632,000	8,632,000	-
SLG MyFuture 2045 Fund	50,000,000	47,010,000	47,010,000	-
SLG MyFuture 2050 Fund	50,000,000	46,880,000	46,880,000	-
SLG MyFuture 2055 Fund	50,000,000	46,825,000	46,825,000	-
SLG Opportunity Fund	1,500,000	1,708,200	1,708,200	-
SLG Opportunity Tracker Fund	1,500,000	1,558,050	1,558,050	-
SLG PAB Pro Income 2	1,000,000	905,400	905,400	-
SLG PAB Pro Income 3	1,000,000	911,500	911,500	-
SLG PAB Pro Income 4	1,000,000	911,700	911,700	-
SLG PAB Pro Income 5	1,000,000	908,500	908,500	-
SLG PAB Pro Income 6	1,000,000	985,700	985,700	-
SLG PAB Pro Income 7	1,000,000	919,400	919,400	-
SLG Peso Global Growth Fund	25,000,000	34,147,500	34,147,500	-
SLG Peso Global Income Fund	25,000,000	25,292,500	25,292,500	-
SLG Peso Global Opp Payout	25,000,000	28,787,500	28,787,500	-
SLG Peso Global Opport Fund	25,000,000	31,497,500	31,497,500	-
SLG Peso Global Sust Grow	25,000,000	33,640,000	33,640,000	-
SLG Peso Global Tech Growth	1,000,000	1,232,900	1,232,900	-
SLG Peso Global Tech Payout	1,000,000	1,150,800	1,150,800	-
SLG VUL PAB - Hybrid Inc 3	1,000,000	1,063,600	1,063,600	-
SLG VUL PAB - Hybrid Income	1,000,000	1,059,600	1,059,600	-
SLG VUL PAB - Hybrid Income 2	1,000,000	1,065,600	1,065,600	-
SLG VUL PAB - Pro Income	1,000,000	902,200	902,200	-
SLG VUL PAB - Pro Income 1 MS	1,000,000	958,000	958,000	-
SLG VUL PAB - Pro Income 1 Nom	1,000,000	995,700	995,700	-
SLG Dollar Money Market Fund	500,000	32,096,401	545,950	-
SLG GAB ProIncome 1 ING	20,000	1,123,712	19,114	-
SLG Global Growth Fund	500,000	47,596,384	809,600	-
SLG Global Income Fund	500,000	26,552,504	451,650	-
SLG Global Opp Payout Fund	500,000	27,881,158	474,250	-
SLG Global Opportunity Fund	500,000	44,036,650	749,050	-
SLG Global Tech Growth Fund	20,000	1,550,175	26,368	-
SLG Global Tech Payout Fund	20,000	1,481,743	25,204	-
SLG VUL GAB - ProIncome	20,000	1,157,222	19,684	-
SLG VUL GAB - ProIncome 2	20,000	1,201,903	20,444	-
SLG VUL GAB - ProIncome 2 ING	20,000	1,145,817	19,490	-
SLG VUL GAB - ProIncome 3	20,000	1,197,787	20,374	-
SLG VUL GAB - ProIncome 4	20,000	1,117,831	19,012	-
Subtotal		10,317,194,692	10,132,255,594	181,031,723
Financial assets at FVOCI				
Petro Energy Corp	103	361	361	5
Phil. Long Distance Tel.	5,900	7,434,000	7,434,000	560,500
RCBC	33,706,375	874,680,431	874,680,431	23,594,463
Seafont Resources	2,340,860	5,524,430	5,524,430	-
National Re	273,717,200	210,762,244	210,762,244	-
Unquoted stocks	133,812	292,414	292,414	-
House of Investments	2,790,000	12,834,000	12,834,000	-
BNY Mellon - private bonds	various	239,294,210	239,294,210	-
Julius Baer - private bonds	various	1,542,356	1,542,356	-
Rizal Commercial Banking Corp	29,211,695	758,043,485	758,043,485	20,448,187
PLDT-Common	396,110	499,098,600	499,098,600	37,630,450
PLDT-Preferred	9,244	92,440	92,440	-
Engineering Equipment	1,365,312	3,877,486	3,877,486	-
Engineering Equipment Preferred - B	294,700	28,998,480	28,998,480	2,390,023
House of Investments	35,359,951	162,655,775	162,655,775	6,364,791
IPeople Inc.	13,524,971	81,149,826	81,149,826	3,357,574
Panasonic Manufacturing Phils	15,098,883	163,067,936	163,067,936	16,141,989
National Reinsurance	49,167,200	37,858,744	37,858,744	-
PetroEnergy Resource	30,103,023	105,360,581	105,360,581	1,505,151
Double Dragon	100,000	9,700,000	9,700,000	968,500
Double Dragon REIT	22,222,000	22,666,440	22,666,440	2,065,068
Seafont Resources	4,154,000	9,803,440	9,803,440	-
Seafont Resources	1,283,000	3,027,880	3,027,880	-
Filinvest Reit Corp	6,651,500	20,619,650	20,619,650	1,616,315
ACEN Corp Preferred - A	200,000	202,000,000	202,000,000	14,266,000
Cebu Landmaster Inc Series A-1	30,000	30,000,000	30,000,000	2,275,500
Cebu Landmaster Inc Series A-2	30,000	32,190,000	32,190,000	2,475,000
Export & Industry Bank	12,601,000	0	0	-
ALI Voting Preferred	175,400	17,540	17,540	-
Bonifacio Land Corp.	25,888	10,681,648	10,681,648	661,318
Filsyn Corporation	370,883	1	1	-
Marcopper Mining Cor	591,718	2	2	-
Manila Memorial Park	686,198	63,068,458	63,068,458	3,150,421
Manila Mem Park Cemetery	1,029,297	94,602,687	94,602,687	-
PHIL LIVESTOCK	80	80,000	80,000	-
Phil. Machinery Mgnt	20	20,000	20,000	-
ETM Phils Holdings Inc.	25,000,000	236,093,065	236,093,065	2,500,000
YGC-Corporate Servie	34,589	18,621,680	18,621,680	-
Great Pacific Life Holdings	8,511,964	147,849,835	147,849,835	-
Puerto Azul Beach	1	350,000	350,000	-
Alabang Country Club	1	15,000,000	15,000,000	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Anvaya Cove Golf and Country Club	1	4,000,000	4,000,000	-
Alta Vista Golf and Country Club	1	650,000	650,000	-
Canlubang Golf & Country Club	1	8,500,000	8,500,000	-
Manila Golf & Country Club	1	155,000,000	155,000,000	-
Manila Polo Club	1	50,000,000	50,000,000	-
Sta. Elena Properties	2	42,000,000	42,000,000	-
The Country Club, Inc.	1	16,000,000	16,000,000	-
Tagaytay Midlands	1	2,500,000	2,500,000	-
Volley Golf Club	1	4,500,000	4,500,000	-
Wack-Wack Golf Club	1	80,000,000	80,000,000	-
UBS - listed equity securities	various	6,390,473	6,390,473	357,900
Julius Baer - listed equity securities	various	137,150,137	137,150,137	794,227
LGT - listed equity securities	various	53,732,277	53,732,277	1,361,881
AYALA 5.125%	17,458,800	15,205,034	15,205,034	881,972
ACENPM 4% PERP	17,458,800	11,743,244	11,743,244	688,758
UBS (CS) - private bonds	various	506,163,930	506,163,930	16,076,522
BNY Mellon - govt bonds	various	18,521,651	18,521,651	324,921
BNY Mellon - private bonds	various	254,690,347	254,690,347	12,371,109
UBS - govt bonds	various	619,729,611	619,729,611	25,726,502
UBS - private bonds	various	311,518,657	311,518,657	15,737,017
Julius Baer - govt bonds	various	335,029,219	335,029,219	16,284,551
Julius Baer - private bonds	various	185,893,686	185,893,686	10,066,177
LGT1 - private bonds	various	135,833,451	135,833,451	7,386,387
LGT2 - govt bonds	various	198,664,543	198,664,543	6,232,980
LGT2 - private bonds	various	18,127,308	18,127,309	664,697
RTBs	various	29,884,234	29,884,235	14,552,771
FXTNs	various	81,140,653	81,140,653	3,042,079
Ayala Corporation	33,820	15,827,760	15,827,760	-
Ayala Land Inc.	767,317	17,226,267	17,226,267	-
Alliance Global Group Inc.	303,650	2,486,894	2,486,894	30,365
Aboitiz Equity Ventures Inc.	276,550	7,743,400	7,743,400	-
AC Energy Philippines Inc	987,530	2,686,082	2,686,082	-
BDO Unibank Inc.	250,289	33,688,899	33,688,899	-
Areit Inc	150,400	6,542,400	6,542,400	-
Bank of the Philippine Islands	287,527	33,381,885	33,381,885	-
Converge ICT	243,800	3,735,016	3,735,016	-
Chinabank	197,510	11,258,070	11,258,070	-
DMCI Holdings Inc.	373,600	3,937,744	3,937,744	-
Globe Telecom Inc.	3,436	5,442,624	5,442,624	-
GT Capital Holdings Inc.	10,252	6,099,940	6,099,940	-
International Container Termin	110,870	62,863,290	62,863,290	-
Jollibee Foods Corp.	53,920	9,705,600	9,705,600	-
JG Summit Holdings Inc.	321,836	7,611,421	7,611,421	-
Metropolitan Bank & Trust Comp	230,953	15,820,281	15,820,281	-
Manila Electric Company	31,350	17,994,900	17,994,900	-
Monde Nissin Corporation	768,900	4,459,620	4,459,620	123,024
Puregold Price Club Inc.	109,100	4,145,800	4,145,800	-
PLDT Inc.	8,550	10,773,000	10,773,000	-
PLIA Realty Inc. .PLIA Corp	2,000	200,000	200,000	-
San Miguel Corporation SMC	51,480	4,221,360	4,221,360	18,018
Emperador Inc.	340,600	5,449,600	5,449,600	-
SM Investments Corporation	62,758	43,899,221	43,899,221	-
SM Prime Holdings Inc.	1,143,120	26,005,980	26,005,980	-
Universal Robina Corporation	102,460	6,895,558	6,895,558	-
MREIT Inc.	3,007,000	42,098,000	42,098,000	-
Filinvest REIT Corp	7,172,000	22,233,200	22,233,200	-
RL Commercial REIT Inc.	7,427,000	59,564,540	59,564,540	-
Century Pacific Food Inc.	137,300	5,354,700	5,354,700	-
Grand Plaza Hotel Corporation	818,941	4,749,858	4,749,858	-
AC Energy Philippines Inc	379,480	1,032,186	1,032,186	-
Ayala Corporation	13,010	6,088,680	6,088,680	-
Aboitiz Equity Ventures Inc.	107,400	3,007,200	3,007,200	-
Alliance Global Group Inc.	106,100	868,959	868,959	10,610
Ayala Land Inc.	293,300	6,584,585	6,584,585	-
Areit Inc	53,200	2,314,200	2,314,200	-
BDO Unibank Inc.	97,194	13,082,312	13,082,312	-
Bank of the Philippine Islands	110,138	12,787,022	12,787,022	-
Chinabank	69,910	3,984,870	3,984,870	-
Converge ICT	86,500	1,325,180	1,325,180	-
Emperador Inc.	129,300	2,068,800	2,068,800	-
Globe Telecom Inc.	1,305	2,067,120	2,067,120	-
GT Capital Holdings Inc.	3,900	2,320,500	2,320,500	-
International Container Termin	43,010	24,386,670	24,386,670	-
Jollibee Foods Corp.	20,700	3,726,000	3,726,000	-
JG Summit Holdings Inc.	123,600	2,923,140	2,923,140	-
Metropolitan Bank & Trust Comp	88,700	6,075,950	6,075,950	-
DMCI Holdings Inc.	143,400	1,511,436	1,511,436	-
Manila Electric Company	12,040	6,910,960	6,910,960	-
MREIT Inc.	384,100	5,377,400	5,377,400	-
Monde Nissin Corporation	295,300	1,712,740	1,712,740	47,248
Puregold Price Club Inc.	38,700	1,470,600	1,470,600	-
PLDT Inc.	3,285	4,139,100	4,139,100	-
San Miguel Corporation SMC	14,530	1,191,460	1,191,460	5,086
SM Investments Corporation	23,680	16,564,160	16,564,160	-
SM Prime Holdings Inc.	443,800	10,096,450	10,096,450	-
Universal Robina Corporation	39,220	2,639,506	2,639,506	-
Filinvest REIT Corp	916,200	2,840,220	2,840,220	-
RL Commercial REIT Inc.	948,800	7,609,376	7,609,376	-
Century Pacific Food Inc.	49,400	1,926,600	1,926,600	-
AC Energy Philippines Inc	10,000	27,200	27,200	-
Ayala Corporation	820	383,760	383,760	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Aboitiz Equity Ventures Inc.	2,500	70,000	70,000	-
Alliance Global Group Inc.	2,700	22,113	22,113	270
Ayala Land Inc.	7,000	157,150	157,150	-
Areit Inc	3,200	139,200	139,200	-
Chinabank	2,290	130,530	130,530	-
BDO Unibank Inc.	6,014	809,484	809,484	-
Bank of the Philippine Islands	6,640	770,904	770,904	-
Century Pacific Food Inc.	1,200	46,800	46,800	-
Converge ICT	2,200	33,704	33,704	-
DMCI Holdings Inc.	3,400	35,836	35,836	-
Emperador Inc.	3,100	49,600	49,600	-
Globe Telecom Inc.	30	47,520	47,520	-
GT Capital Holdings Inc.	90	53,550	53,550	-
International Container Termin	2,650	1,502,550	1,502,550	-
Jollibee Foods Corp.	500	90,000	90,000	-
JG Summit Holdings Inc.	3,000	70,950	70,950	-
Metropolitan Bank & Trust Comp	2,150	147,275	147,275	-
Manila Electric Company	290	166,460	166,460	-
Monde Nissin Corporation	7,200	41,760	41,760	1,152
Puregold Price Club Inc.	1,000	38,000	38,000	-
PLDT Inc.	80	100,800	100,800	-
San Miguel Corporation SMC	390	31,980	31,980	137
SM Investments Corporation	1,510	1,056,245	1,056,245	-
SM Prime Holdings Inc.	27,500	625,625	625,625	-
Universal Robina Corporation	940	63,262	63,262	-
The Orchard Golf & Country Clu .OGCC	1	3,100,000	3,100,000	-
Riviera Golf & Country Club - .RGCC	1	1,800,000	1,800,000	-
Sta. Elena Golf Club Inc. - B .SEGC	1	22,000,000	22,000,000	-
Universal Leisure Club .ULC	1	1,000,000	1,000,000	-
YGC-CSI Inc. .YGC	12,000	1,200,000	1,200,000	-
Philippines Treasury Notes PIBD0729E673	177,200,000	180,885,760	180,885,760	1,343,767
Philippines Treasury Notes PH0000058125	335,000,000	338,095,400	338,095,400	9,290,434
Philippines Treasury Notes PIBD0729J687	129,100,000	133,884,446	133,884,446	1,958,017
Philippines Treasury Notes PIBD2031G171	652,400,000	709,106,608	709,106,608	23,486,400
Philippines Treasury Notes PIBD1032I695	50,000,000	51,876,000	51,876,000	993,750
BSP Bills BSPT0125L004	35,000,000	34,932,800	34,932,800	-
Ayala Land Inc. YJ3622224	500,000	509,610	509,610	5,968
SM Prime Holdings Inc. DA3608845	1,000,000	1,009,360	1,009,360	7,682
Philippines Treasury Notes PIBD2537H103	47,500,000	46,196,600	46,196,600	1,024,219
Philippines Treasury Notes PIBD2535L086	963,000,000	1,082,604,600	1,082,604,600	3,260,156
Philippines Treasury Notes PIBD2031G171	1,779,500,000	1,934,174,140	1,934,174,140	64,062,000
Philippines Treasury Notes PIBD2536I097	1,045,175,000	1,149,201,268	1,149,201,268	20,366,396
Philippines Treasury Notes PH0000059891	775,000,000	772,411,500	772,411,500	20,723,177
Philippines Treasury Notes PIBD2540I116	896,764,277	775,297,556	775,297,556	12,903,442
Philippines Treasury Notes PIBD2535I071	463,051,000	518,362,442	518,362,442	9,363,920
Philippines Treasury Notes PIBD2531A032	55,000,000	65,717,850	65,717,850	2,664,063
Philippines Treasury Notes PIBD2537H103	162,920,000	158,449,475	158,449,475	3,512,963
Philippines Treasury Notes PIBD2037E214	152,966,000	143,656,489	143,656,489	959,224
Philippines Treasury Notes PIBD2042K253	78,760,000	91,337,184	91,337,184	657,701
Philippines Treasury Notes PIBD1031G662	34,000,000	31,731,180	31,731,180	600,667
Philippines Treasury Notes PH0000057200	78,500,000	83,607,210	83,607,210	2,564,333
Global Peso Note US718286BM88	939,000,000	930,126,450	930,126,450	27,224,479
Philippines Treasury Notes PIBD2039A232	50,000,000	52,109,000	52,109,000	1,471,875
Philippines Treasury Notes PH0000060345	27,000,000	27,568,620	27,568,620	301,219
Philippines Treasury Notes PH0000058786	265,000,000	276,699,750	276,699,750	1,923,090
Philippines Treasury Notes PH0000058786	56,000,000	58,472,400	58,472,400	406,389
Philippines Treasury Notes PH0000058786	590,000	616,048	616,048	4,282
Cebu Landmasters Inc. .CLISL	67,500,000	67,950,765	67,950,765	649,058
Cebu Landmasters Inc. .CLISL	67,500,000	67,650,728	67,650,728	643,524
Cebu Landmasters Inc. .CLISL	31,750,000	31,962,027	31,962,027	305,298
Cebu Landmasters Inc. .CLISL	31,750,000	31,820,898	31,820,898	302,695
Cebu Landmasters Inc. .CLISL	750,000	755,009	755,009	7,212
Cebu Landmasters Inc. .CLISL	750,000	751,675	751,675	7,150
Retail Treasury Bonds PIID2537J015	97,000,000	96,918,520	96,918,520	1,105,733
Philippines Treasury Notes PIBD2534K062	30,000,000	35,533,500	35,533,500	431,667
Philippines Treasury Notes PIBD2535L086	57,919,000	65,112,540	65,112,540	196,080
Philippines Treasury Notes PIBD2537H103	80,000,000	77,804,800	77,804,800	1,725,000
Philippines Treasury Notes PIBD2540I116	583,000,000	504,032,650	504,032,650	8,388,722
Global Peso Note US718286BM88	358,000,000	354,616,900	354,616,900	10,379,514
Philippines Treasury Notes PIBD2039A232	264,650,000	275,812,937	275,812,937	7,790,634
Philippines Treasury Notes PIBD0726B627	7,000,000	7,006,300	7,006,300	166,493
Philippines Treasury Notes PIBD2042K253	563,700,000	653,717,253	653,717,253	4,707,286
Philippines Treasury Notes PIBD1032I695	45,000,000	46,688,400	46,688,400	894,375
Philippines Treasury Notes PH0000057200	37,580,000	40,024,955	40,024,955	1,227,613
Philippines Treasury Notes PIBD2033C206	1,200,000	1,065,096	1,065,096	12,083
Philippines Treasury Notes PIBD1336D016	5,000,000	5,066,800	5,066,800	61,632
Philippines Treasury Notes PH0000058240	150,000,000	148,116,000	148,116,000	3,203,125
Philippines Treasury Notes PH0000059891	637,000,000	634,872,420	634,872,420	17,033,115
Philippines Treasury Notes PH0000058133	190,910,000	193,431,921	193,431,921	5,170,479
Philippines Treasury Notes PIBD1031G662	70,540,000	65,832,866	65,832,866	1,246,207
Philippines Treasury Notes PH0000058786	605,250,000	631,971,788	631,971,788	4,392,266
Philippines Treasury Notes PH0000057218	50,000,000	50,956,000	50,956,000	1,363,542
Philippines Treasury Notes PH0000060345	50,000,000	51,053,000	51,053,000	557,813
Philippines Treasury Notes PIBD2540I116	75,000,000	64,841,250	64,841,250	1,079,167
Philippines Treasury Notes PIBD2026A122	10,000,000	10,019,100	10,019,100	461,250
Philippines Treasury Notes PIBD2039A232	12,500,000	13,027,250	13,027,250	367,969
Philippines Treasury Notes PIBD2039A232	187,500,000	195,408,750	195,408,750	5,519,531
Philippines Treasury Notes PIBD2531A032	5,000,000	5,974,350	5,974,350	242,188
SM Prime Holdings Inc. DA3608845	20,000	20,187	20,187	154
SMC Global Power Holdings BY0062319	34,000,000	33,198,722	33,198,722	492,879
Vista Land and Lifescapes Inc. ZG5080541	60,000,000	59,692,800	59,692,800	320,358

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SM Prime Holdings Inc. YX8602949	24,300,000	25,564,086	25,564,086	32,910
SM Prime Holdings Inc. YR7160702	100,000,000	100,111,000	100,111,000	2,267,440
Energy Development Corporation YX3059954	10,000,000	10,049,070	10,049,070	66,702
Maynilad Water Services Inc YW2514712	38,000,000	37,982,748	37,982,748	591,486
SMC Tollways Corp PH0000059743	102,000,000	92,069,076	92,069,076	510,738
Aboitiz Power Corporation PH0000060790	250,000,000	247,527,500	247,527,500	3,666,697
Petron Corporation PH0000060774	250,000,000	248,975,250	248,975,250	4,310,600
Ayala Land Inc. YJ3622224	25,000,000	25,480,500	25,480,500	298,407
SM Prime Holdings Inc. DA3608845	86,000,000	86,804,960	86,804,960	660,676
SMC Global Power Holdings BY0062319	10,000,000	9,764,330	9,764,330	144,964
SM Prime Holdings Inc. YR7160702	39,000,000	39,043,290	39,043,290	884,302
Vista Land and Lifescapes Inc. ZG5080541	15,000,000	14,923,200	14,923,200	80,090
SM Prime Holdings Inc. YX8602949	8,000,000	8,416,160	8,416,160	10,834
Energy Development Corporation YX3059954	3,000,000	3,014,721	3,014,721	20,011
Maynilad Water Services Inc YW2514712	11,500,000	11,494,779	11,494,779	179,002
SMC Tollways Corp PH0000059743	35,000,000	31,592,330	31,592,330	175,253
Aboitiz Power Corporation PH0000060790	100,000,000	99,011,000	99,011,000	1,466,679
Petron Corporation PH0000060774	100,000,000	99,590,100	99,590,100	1,724,240
Ayala Land Inc. YJ3622224	12,000,000	12,230,640	12,230,640	143,235
SM Prime Holdings Inc. DA3608845	43,000,000	43,402,480	43,402,480	330,338
Philippines Treasury Notes PIBD2038B224	61,000,000	62,485,350	62,485,350	1,420,792
Philippines Treasury Notes PIBD2039A232	3,000,000	3,126,540	3,126,540	88,313
Philippines Treasury Notes PH0000058240	10,000,000	9,874,400	9,874,400	213,542
Philippines Treasury Notes PH0000058786	7,500,000	7,831,125	7,831,125	54,427
Philippines Treasury Notes PH0000059891	2,600,000	2,591,316	2,591,316	69,523
ROP Dollar Bonds 2037 US718286BW60	9,950,000	591,693,395	10,064,525	232,167
ROP Dollar Bonds 2030 US718286AY36	360,000	25,419,291	432,374	14,155
BSP 2027 US059891AA97	2,876,000	180,075,315	3,063,026	10,993
ROP Dollar Bonds 2040 US718286BZ91	10,000,000	520,103,372	8,846,800	176,653
ROP Dollar Bonds 2041 US718286CA32	2,500,000	122,932,830	2,091,050	30,833
PT PERTAMINA (PERSERO) USY7138AAD29	2,950,000	176,677,119	3,005,224	28,517
ROP Dollar Bonds US718286CX35	600,000	35,334,671	601,032	15,033
Perusahaan Listrik Negar US71568QAF46	1,650,000	98,668,080	1,678,314	11,275
Perusahaan Listrik Negar US71568QAH02	1,600,000	96,588,678	1,642,944	43,333
PT PERTAMINA (PERSERO) US69370RAE71	890,000	44,321,852	753,901	17,545
PT PERTAMINA (PERSERO) USY7138AAF76	890,000	51,189,782	870,723	5,702
SMPHI SG HOLDINGS PTE XS3177885418	400,000	23,491,543	399,584	5,542
AT&T Inc US00206RHH66	447,000	23,447,817	398,840	973
AT&T Inc US00206RMX79	20,000	1,195,048	20,327	543
AT&T Inc US00206RJJ64	180,000	8,344,171	141,932	525
General Motors Co US37045VBA70	700,000	42,901,591	729,773	8,313
ROP Dollar Bonds 2028 US718286CC97	2,500,000	143,865,009	2,447,100	31,250
GRHC AFS Equity	-	354,190,365	-	-
GLFAC FVOCI MF	-	22,000,000	-	-
Cebu Holdings, Inc.	15,625	95,625	95,625	70,625
Roxas and Company Inc.	11,476	30,756	30,756	341
Roxas Holdings Inc.	129,792	188,198	188,198	(155,787)
Empire East Land Holdings Inc.	32,430	3,373	3,373	(5,933)
BDO Unibank, Inc.	3,088	415,645	415,645	267,337
Holcim Phils., Inc.	30,000	116,100	116,100	6,100
Lorenzo Shipping Corp	62,500	40,000	40,000	(13,000)
EEL Corporation	155,443,419	441,459,310	441,459,310	(86,441,402)
BDO Leasing and Finance, Inc.	15,000	17,700	17,700	(51,800)
Filinvest Land, Inc.	24,687	19,009	19,009	19,009
Seafont Resources Corp - A	4,697,614	11,086,369	11,086,369	10,522,652
Solid Group, Inc.	340,000	431,800	431,800	336,600
Vitarich Corp	10,000	5,300	5,300	3,650
Rizal Commercial Banking Corp	7,064,986	183,336,387	183,336,387	25,458,779
Sta. Elena Golf Club - A	1	21,000,000	21,000,000	20,400,000
Menzi Industries	1,066	45,478	45,478	-
Menzi & Co., Inc.	222	14,548	14,548	-
Pasig Investments	5,300	-	-	-
Phil. Long Distance Tel-Pref. (Series V)	527	77,000	77,000	-
Heritage Park	2	-	-	-
Integrated Properties	700	68,137	68,137	-
Sta. Elena Properties	1	7,680,033	7,680,033	-
Zamboanga Industrial Group	-	3,800	3,800	-
Alsons Cement Corp.-delisted 12/16/2002	-	18,750	18,750	-
Subic Power Corp.	-	-	-	-
YGC Corporate Services, Inc	-	174,423	174,423	-
RCBC Realty Corporation	169,999	8,232	8,232	-
Others	various	167,276,427	167,276,433	-
Subtotal		26,990,433,313	24,465,180,832	556,750,765
Financial assets at amortized cost				
ROPs	various	406,303,790	406,303,790	17,728,202
AYALA 5.125%	29,098,000	29,395,000	29,395,000	1,469,953
RCBC 5.5% 2029	52,783,772	53,453,943	53,453,943	2,869,005
RTBs	various	478,016,724	478,016,724	16,471,670
FXTNs	various	4,129,152,056	4,129,152,517	189,763,625
Investment in Bonds/PN	97,500,000	97,500,000	97,500,000	-
Investment in bonds - HTM	91,081,980	92,323,850	92,323,850	-
Allowance for impairment	-	(2,449,490)	(2,449,491)	-
Unamortized Discount - HTM	-	(1,611,453)	(1,611,453)	-
Subtotal		5,282,084,420	5,282,084,880	228,302,455
Total		42,589,712,425	39,879,521,306	966,084,943

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

As at December 31, 2025, the Group has no receivable above ₱1 million or 1% of the total assets, whichever is lower from directors, officers, employees, and principal stockholders (other than related parties).

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Below is the schedule of receivables with subsidiaries, which are eliminated in the consolidated financial statements as at December 31, 2025:

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
<i>Honda Cars, Inc.</i>					
Due from affiliates	–	86,466,585	(77,756,207)	–	8,710,378
	–	86,466,585	(77,756,207)	–	8,710,378
<i>Landev Corporation</i>					
Due from affiliates	1,469,703	12,175,969	(9,242,065)	–	4,403,608
Dividends receivable	32,000,000	31,000,000	(32,000,000)	–	31,000,000
	33,469,703	43,175,969	(41,242,064)	–	35,403,608
<i>La Funeraria Paz Sucat, Inc.</i>					
Due from affiliates	1,029,997	2,561,356	(2,949,546)	–	641,806
	1,029,997	2,561,356	(2,949,546)	–	641,806
<i>Greyhounds Security and Investigation Agency Corporation</i>					
Due from affiliates	822,125	1,827,060	(1,573,355)	–	1,075,831
	822,125	1,827,060	(1,573,355)	–	1,075,831
<i>Hexagon Lounge, Inc.</i>					
Due from affiliates	–	61,264	–	–	61,264
	–	61,264	–	–	61,264
<i>Secon Professional</i>					
Due from affiliates	–	149,900	(108,364)	–	41,536
	–	149,900	(108,364)	–	41,536
<i>Investment Managers, Inc.</i>					
Due from affiliates	161,142	2,414,354	(2,355,817)	–	219,679
Dividend receivable	6,000,000	7,000,000	(6,000,000)	–	7,000,000
	6,161,142	9,414,354	(8,355,817)	–	7,219,679
<i>ATYC, Inc.</i>					
Due from affiliates	3,315,883	11,510,312	(13,785,636)	–	1,040,560
Dividend receivable	–	70,000,000	(70,000,000)	–	–
	3,315,883	81,510,312	(83,785,636)	–	1,040,560
<i>(Forward)</i>					

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
<i>San Lorenzo Ruiz Investment Holdings and Services, Inc.</i>					
Due from affiliates	3,013,079	10,524,803	(11,466,688)	–	2,071,194
	3,013,079	10,524,803	(11,466,688)	–	2,071,194
<i>iPeople, inc. and subsidiaries</i>					
Due from affiliates	5,582,309	111,854,787	(109,515,950)	–	7,921,145
	5,582,309	111,854,787	(109,515,950)	–	7,921,145
<i>MICO Equities, Inc. and subsidiaries</i>					
Due from affiliates	1,600,000	2,078,571	(3,505,357)	–	173,214
	1,600,000	2,078,571	(3,505,357)	–	173,214
<i>RCBC Trust Corporation</i>					
Due from affiliates	3,830,400	3,317,400	(6,594,900)	–	552,900
	3,830,400	3,317,400	(6,594,900)	–	552,900
	58,824,638	352,942,361	(346,853,882)	–	64,913,115

These receivables are non-interest bearing and are expected to be settled within the next twelve (12) months.

Schedule D. Intangible Asset - Other Noncurrent Assets

As at December 31, 2025, the Group's intangible assets consist of goodwill and computer software. Goodwill in the Group's consolidated statements of financial position arose from the acquisition of IPO and MESI. Details of the Group's intangible assets are as follows:

Description	Balance at beginning of year	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Balance at end of year
Goodwill	₱176,176,264	₱ –	₱ –	₱ –	₱ –	₱176,176,264
Intellectual property rights	447,676,000	–	–	–	–	447,676,000
Student relationship	2,971,048	–	(2,228,286)	–	–	742,762
Computer software	41,129,138	13,548,966	(31,741,418)	–	19,734,563	42,671,249
	₱667,952,450	₱13,548,966	(₱33,969,704)	₱ –	₱19,734,563	₱667,266,275

Schedule E. Long-term Debt

Below is the schedule of long-term debt of the Group:

Type of Obligation	Amount	Current	Non-current
ATYC			
Peso-denominated promissory note payable on or before September 30, 2025 together with annual interest of 6.04% due every anniversary of the note starting on September 30, 2023 until the note is fully paid	—	—	—
NTC			
Peso-denominated seven (10) year term loan, payable in 28 quarterly payments starting May 2022 with interest subject to annual repricing based on higher of 5.5% or prevailing 1-year rate plus interest spread	261,277,800	32,573,600	228,704,200
	261,277,800	32,573,600	228,704,200

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)

There are no outstanding balance by the Group with a related party as at December 31, 2025.

Schedule G. Guarantees of Securities of Other Issuers

There are no guarantees of securities of other issuing entities by the Group as at December 31, 2024.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares held by related parties	Directors, Officers and Employees	Others
Common shares	1,470,000,000	1,469,302,230	1,267,492,501	2,853,400	198,956,329
Preferred shares	2,500,000,000	—	—	—	—

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2025

HOUSE OF INVESTMENTS, INC.

9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue Makati City, Metro Manila

Unappropriated Retained Earnings, beginning of reporting period	5,436,240,622
Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
	<hr/>
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	264,474,402
Retained earnings appropriated during the period	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
	<hr/>
	264,474,402
Unappropriated Retained Earnings, as adjusted	5,171,766,220
Add/Less: Net Income (Loss) for the current year	855,291,220
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	—
Unrealized foreign exchange gain, except those attributed to cash and cash equivalents	—
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Unrealized fair value gain on Investment Property	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
Sub-total	—
	<hr/>
Add: <u>Category C.2</u>: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Realized fair value gain on Investment Property	—
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
	<hr/>
Sub-total	—

Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)

Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain on Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	-
Adjusted Net Income/Loss	855,291,220

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-
Sub-total	-

Add: Category E: Adjustments related to relief granted by SEC and BSP (see Footnote 3)

Amortization of effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-

Add (Less): Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	(4,295,261)
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP	-
Remeasurement losses - PAS 19 related to discontinued operations	(10,469,410)
Others (correction of gross deferred tax asset)	(239,506,802)
Sub-total	(254,271,473)

Total Retained Earnings, end of the reporting period available for dividend

₱5,772,785,967

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS OF
DECEMBER 31, 2025 AND 2024

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2025 and 2024:

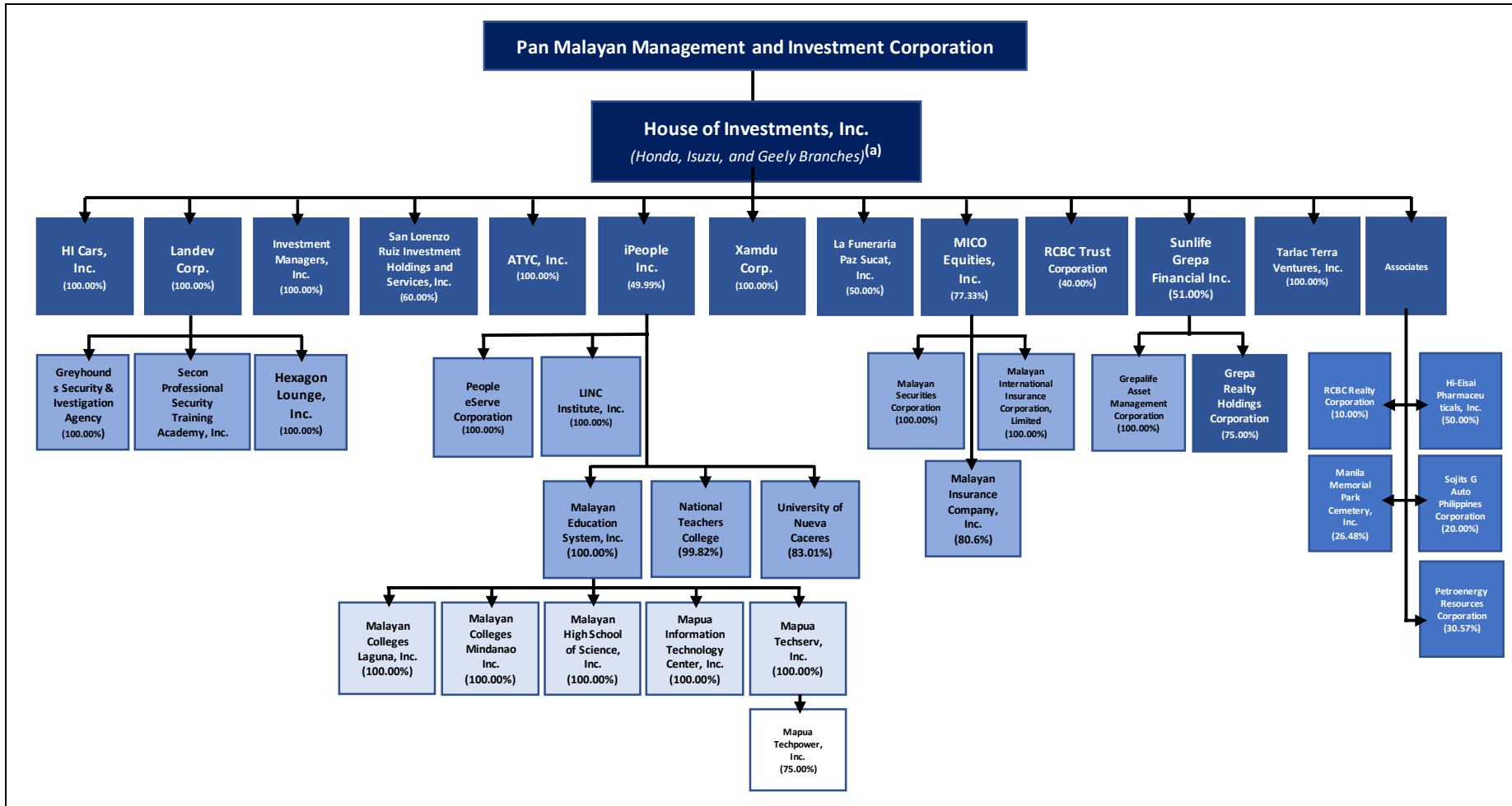
Financial ratios		2025	2024
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.87:1	0.91:1
Solvency ratio	$\frac{\text{Net income plus depreciation}}{\text{Total liabilities}}$	0.04:1	0.03:1
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	2.05:1	2.17:1
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	3.05:1	3.17:1
Interest rate coverage	$\frac{\text{EBIT*}}{\text{Interest expense}}$	8.82:1	6.21:1
Return on assets	$\frac{\text{Net income}}{\text{Average total assets}}$	2.14%	1.64%
Return on equity	$\frac{\text{Net income}}{\text{Average total equity}}$	6.66%	5.20%

**Earnings before interest and taxes (EBIT)*

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2025:



House of Investments, Inc and Subsidiaries
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2025

Supplementary Schedule of External Auditor Fee-Related Information

	2025	2024
Total Audit Fees (Section 2.1a)¹	₱1,800,000	₱1,200,000
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Non-audit Fees (Section 2.1b)²	–	–
Total Audit and Non-audit Fees	₱1,800,000	₱1,200,000
Audit and Non-audit fees of other related entities (Section 2.1c)³		
Audit Fees	₱15,570,627	₱16,739,041
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	1,690,000
All other services	180,000	–
Total Audit and Non-audit fees of other related entities	₱15,750,627	₱18,429,041

**Includes one time fee for deconsolidation and acquisition of new subsidiaries*

Contextual Information

Company Details	
Name of Organization	House of Investments Inc.
Location of Headquarters	9th floor, Grepalife Building, Gil Puyat Ave, Makati City
Location of Operations	With operations in Luzon, Visayas, and Mindanao
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	<p>Report includes information from the following subsidiaries:</p> <ol style="list-style-type: none"> 1. MICO Equities, Inc. <ol style="list-style-type: none"> a. Malayan Insurance Co., Inc. 2. RCBC Trust Corporation 3. Sun Life Grepa Financial, Inc. 4. iPeople Inc. <ol style="list-style-type: none"> a. Malayan Education System, Inc. (Operating under the name Mapua University) – 1 school with 2 campuses (Mapua) b. Mapua Malayan Colleges Laguna, Inc. (MMCL) c. Mapua Malayan Colleges Mindanao, Inc (MMCM). d. Malayan High School of Science, Inc. (MHSS) e. University of Nueva Caceres (UNC) f. National Teachers College (NTC) 5. ATYC, Inc. 6. San Lorenzo Ruiz Investment Holdings and Services, Inc. 7. Grepa Realty Holdings Corporation 8. RCBC Realty Corporation 9. Landev Corporation <ol style="list-style-type: none"> a. Greyhounds Security and Investigation Corporation b. SECON Professional Training Academy 10. HI Cars, Inc. 11. PetroEnergy Resources Corporation <ol style="list-style-type: none"> a. PetroGreen Energy Corporation <ol style="list-style-type: none"> i. Maibarara Geothermal Inc. ii. PetroWind Energy Inc. iii. PetroSolar Corporation iv. Rizal Green Energy Corporation <ol style="list-style-type: none"> 1. Dagohoy Green Energy Corporation 2. San Jose Green Energy Corporation 3. BKS Green Energy Corporation 12. Hi-Eisai Pharmaceutical, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	House of Investments, Inc. (HI), an investment holding and management company, acquires, organizes, invests, and divests in various relevant corporate institutions and industries. HI provides an investment opportunity by raising funds from various sources to acquire entire businesses, take majority or

significant minority control, and/or enter into joint ventures. HI aims to continue to build and grow a portfolio of strategically diversified and sustainable investments relevant to nation-building, mindful of its environmental, economic, social, and governance responsibilities.

The Company's core business focus is organized into four segments, namely: Financial Services, Property and Property Services, Education, and Automotive. The Company's portfolio investments are in Energy, Health Care, and Death Care. For Sustainability Reporting, the company will include its energy and healthcare portfolio investments.

Financial Services

HI owns a majority stake in MICO Equities, Inc., an investment holding company which owns the Malayan Insurance Company, Inc., one of the leading non-life insurance companies in the Philippines.

<https://malayan.com/>

HI owns a majority stake in Sun Life Grepa Financial, Inc., a joint venture with Sun Life Financial (Philippines). a top player in the life insurance market.

<https://www.sunlifegrepa.com/>

HI owns a significant stake in RCBC Trust Corporation, a stand-alone trust corporation from the spin-off from RCBC's trust operations.

Education

HI owns a significant stake in iPeople, Inc. (PSE:IPO). iPeople (IPO) is the holding company under HI and the Yuchengco Group of Companies (YGC) that drives investments in the education sector. iPeople, Inc. (IPO) provides quality and accessible education to students from kindergarten to post-graduate across all income segments. IPO through its subsidiary schools, aims to promote research and innovation that addresses the concerns of communities and solve problems of industries. IPO also aims to become one of the best in the fields of Science, Technology, Engineering, and Mathematics (STEM) and leverage on the strength of its subsidiary schools in STEM, Outcomes-Based Education (OBE), distance learning, and cost-effective EdTech.

<https://ipeople.com.ph/home/our-company/corporate-profile/>

Property and Property Services

HI wholly owns ATYC, Inc., which provides real estate services. ATYC, Inc. is the owner of A.T. Yuchengco Centre, a 34-storey tower located at the heart of Bonifacio Global City in Taguig.

	<p>HI wholly owns Tarlac Terra Ventures, Inc. which owns a 185-hectare property located in Central Techno Park in Luisita Industrial Park.</p> <p>HI owns a majority stake in Grepa Realty Holdings, Inc. which owns Grepalife Building in Sen. Gil Puyat Avenue and other properties in the Philippines.</p> <p>HI owns a majority stake in San Lorenzo Ruiz Investment Holdings and Services, Inc., which shall provide real estate services upon the completion of the construction of its 28-storey office building along Sen. Gil Puyat Avenue in Makati.</p> <p>HI owns a minority stake in RCBC Realty Corporation, which provides real estate services. RCBC Realty Corporation is the owner of RCBC Plaza.</p> <p>House of Investments wholly owns Landev Corporation, which is primarily engaged in project, property and facilities management. It also provides security services through its subsidiary Greyhounds Security and Investigation Agency Corp.</p> <p>Automotive HI owns and operates car dealerships under the Honda and Isuzu brands. HI's Honda dealerships are in Quezon Avenue, Manila, and Greenhills, and one service center in Tandang Sora. The Isuzu dealerships are in Manila, Commonwealth and Leyte.</p> <p>Energy HI has investments in the energy sector through its stake in PetroEnergy Resources Corporation (PSE:PERC). PetroEnergy is a publicly listed Philippine energy company founded in 1994 to undertake upstream oil exploration and development. Since then, it has diversified into renewable energy and power generation. PetroEnergy, through its renewable energy arm, PetroGreen Energy Corporation (PGEC), has investments in the following joint venture companies: PetroSolar Corporation, PetroWind Energy, Inc., Maibarara Geothermal Inc., and Dagohey Green Energy Corp., San Jose Green Energy Corp., and BKS Green Energy Corp through subsidiary Rizal Green Energy Corp.</p> <p>Health Care HI-Eisai Pharmaceutical, Inc. is a joint venture with the Eisai Company of Japan. HI-Eisai imports pharmaceuticals from Japan which it sells in the Philippine market through established drug distributors. HI-Eisai has distinguished itself in the Philippines as the human healthcare corporation that markets high quality and innovative pharmaceutical products.</p>
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	<p>Death Care HI owns material stakes in both Manila Memorial Park Cemetery, Inc. and La Funeraria Paz-Sucat, Inc.</p> <p>Manila Memorial Park is the first company to introduce the memorial park concept in the Philippines and is the largest memorial park developer. It owns and operates memorial parks and columbaries in Parañaque, Quezon City, Bulacan, Cavite, Laguna, Cebu, Tarlac, and Davao.</p> <p>La Funeraria Paz-Sucat, Inc. provides mortuary services, internment, and cremation services. Its mortuary houses 26 well-designed modern chapels with spacious accommodations.</p> <p>https://hoi.com.ph/home/our-company/corporate-profile/ https://hoi.com.ph/sustainability/our-impact/our-impact/</p>
Reporting Period	January 1, 2025 to December 31, 2025
Highest Ranking Person responsible for this report	Ruth C. Francisco SVP - Chief Risk Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

The HI Group Senior Management and representatives from each of the divisions underwent several trainings and workshops to enhance their capability to assess the company’s material non-financial aspects, while finding opportunities where the company can contribute to sustainable development through its core business. The steps undertaken are summarized as follows:

- a. Understanding the Sustainability Context: This step provided an overview of key societal challenges we are currently facing to provide better context in identifying which sustainability topics are material to the company, but also those that are material to society at large. This encouraged the Company to think beyond financial performance and explore how their core business can contribute to addressing these key societal challenges.
- b. Identifying material topics: An initial list of material topics was put together by the HI Group Senior Management and validated through group discussions with sustainability point persons per division, including middle management. Discussions were also made with key officers who have regular touch points with stakeholders to inform the materiality with common stakeholder issues and expectations. In finalizing the material topics, we used the guide questions in the memorandum:
 - a. Is it a key capital/risk/opportunity?
 - b. Do our key business activities impact the sustainability topic?
 - c. Do our major suppliers contribute significant impacts to this topic?
 - d. Do our products and services contribute significant impacts to the topic?
 - e. Is there a trend that points to a great likelihood that this topic will become material in the future?

- c. Defining Performance Metrics and Management Approach: For each material topic we identified, we defined key metrics that effectively measure our performance on such topics. We used the GRI reporting standards as reference. We also identified management approaches that are already in place or those we think should be put in place to improve our performance on these sustainability areas.

The United Nations Sustainable Development Goals (SDGs) were used as a guiding framework in identifying the Company's societal, environmental, and economic impacts, as well as the areas where it creates long-term value.

The Company believes that sustainability is a collective responsibility and requires the participation of various stakeholders. To communicate its sustainability initiatives and related disclosures, the Company has established a dedicated Sustainability section on its website, which may be accessed at <https://www.hoi.com.ph/sustainability/>. The Company remains open to stakeholder engagement and may be contacted through rmdannouncement@hoi.com.ph.

Economic

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct Economic Value Generated (Revenue)	44,470,420,711	PhP
Direct Economic Value Distributed	39,712,929,580	PhP
Operating Costs	33,432,524,496	PhP
Employee Wages and Benefits	3,899,231,258	PhP
Payments to Providers of Capital	842,678,217	PhP
Taxes to Government	1,246,636,874	PhP
Community Investments	291,858,735	PhP
Economic value retained	4,757,491,131	PhP

Direct economic value generated, retained, and distributed include the economic impacts of all subsidiaries of HI Group, including subsidiaries that are outside the scope of this report.

Direct Economic Value

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

As a diversified holding company, HI contributes significantly to the Philippine economy through the value we generate and distribute to stakeholders. The economic impacts of HI are a result of its business activities. The scale of the impact will increase or decrease according to the scale of the business of HI and its subsidiaries. Our contribution to increasing the economic activity in the areas where we operate is based on how we flow economic value to various stakeholders such as government, suppliers, employees, local communities, and investors. The extent of employment opportunities we create through our businesses and through our suppliers is also affected by our business performance and success. Similarly, how we deploy our products and services in the financial services, education, property and property services, automotive, energy, and healthcare business segments also contribute in significant ways to economic growth and overall nation-building.

In 2025, HI Group generated PhP44,470,420,711 of direct economic value impact and redistributed 89% of this to operating expenses, employee compensation, suppliers, capital providers, and the government coffers among the various stakeholders. The balance of 11% was retained for liquidity and investments purposes. The economic value generated for the year posted an increase of 19% against the prior year. This was primarily driven by the financial services segment as Sun Life Grepa Financial, Inc. became one of the fastest-growing life insurer in the Philippines in terms of new business among other key insurance industry metrics.

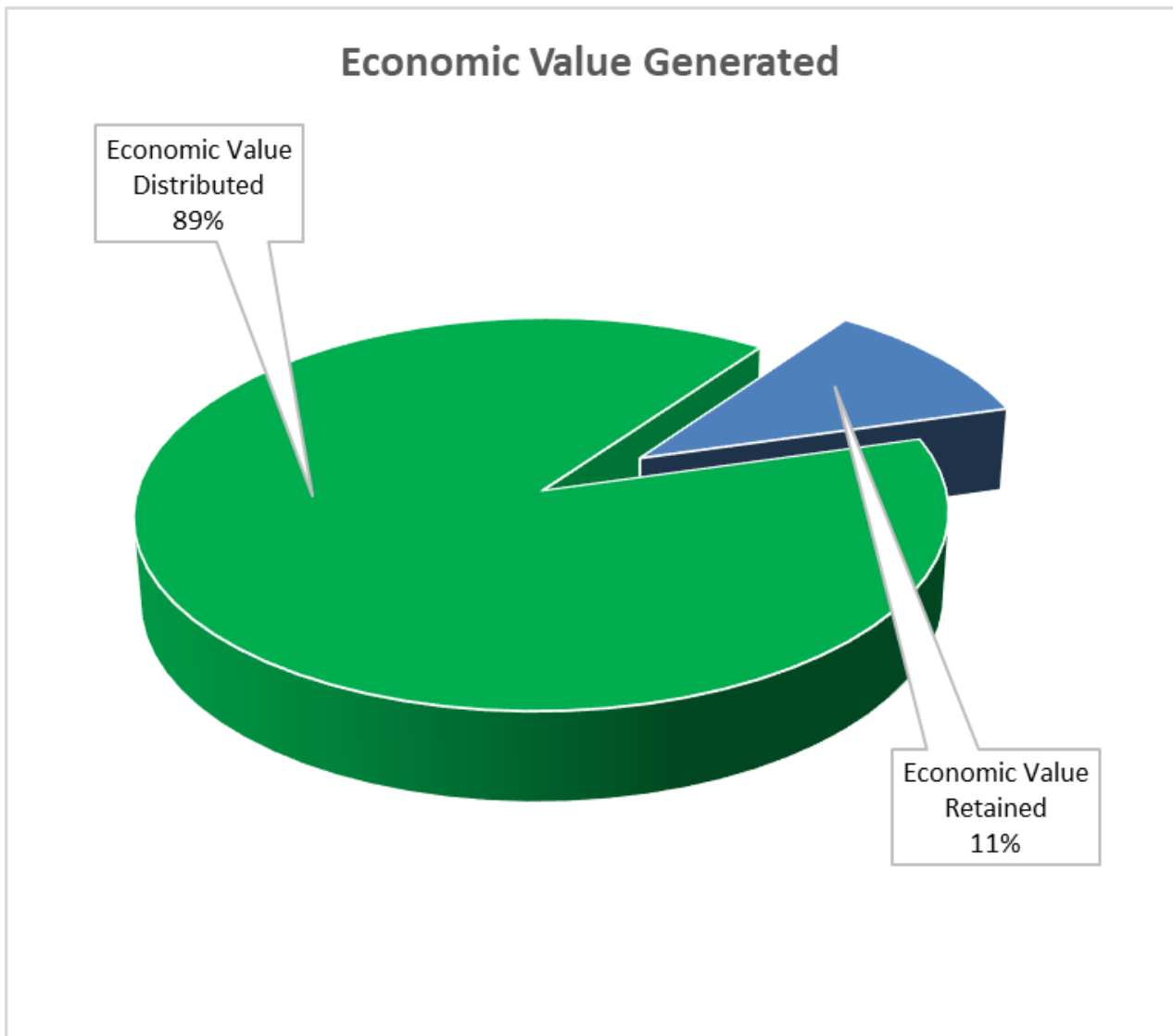


Figure 1. HI Economic Value Generated. HI distributed 89% of direct economic value generated and retained 11%.

The economic value distributed representing 89% of the value generated flowed back to the economy. Operating costs and expenses paid to various suppliers accounted for 84% of the economic value distributed while employees' wages and benefits had a 10% share. The remaining 6% was distributed to the providers of capital, the government, and to community investments. Beyond these direct monetary flows, the Group's activities have broader indirect economic impacts. The Group supports local industries and small businesses through our supply chain. A large share of our procurement expenditures goes to Philippine enterprises. The Group's overall operating expense increased by 19% with a corresponding increase in tax payments of 24% primarily due to the positive results from the operations of the financial services and insurance segment, with contribution from the other business segments as well.

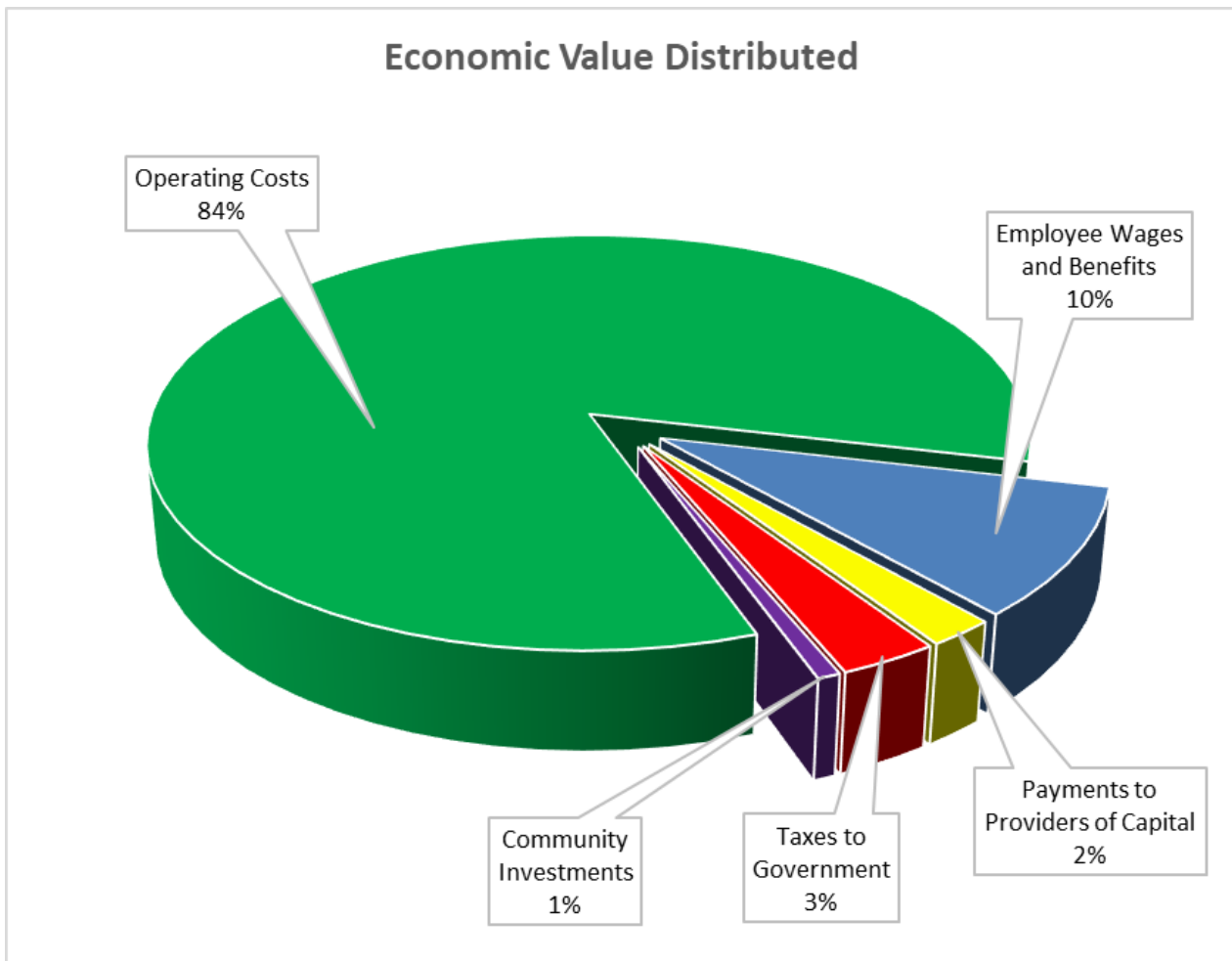


Figure 2. HI Economic Value Distributed. The operating costs accounted for 84% of the economic value distributed while employee wages and benefits accounted for 10%.

HI is exposed to risks inherent to its nature as a holding and management entity, the operating environment in which it conducts business, and sector-specific risks across its diversified portfolio. These risks may affect the Company's reputation, stakeholder confidence, and overall business sustainability. As the Group's risk environment continues to evolve, HI conducts periodic group-wide risk assessments and continuously monitors identified risks to ensure that these remain relevant, updated, and effectively managed. These risks are regularly integrated into strategic and operational decision-making processes across the Group. The Company's reputation is closely linked to the performance, governance, and perception of its subsidiaries. Any adverse developments, including negative publicity or underperformance within any subsidiary, may have a direct impact on the Company's overall brand, stakeholder confidence, future business opportunities, and long-term economic value. To promote alignment and strengthen oversight, HI senior management participates in the strategic planning, management, and operational activities of its subsidiaries. The Company conducts regular risk and sustainability review meetings with its subsidiaries. These periodic engagements serve as a platform to provide updates on the various risk and sustainability matters and enable two-way communication on both routine and burning concerns for the group.

Discussion on Opportunities

HI's economic sustainability is reflected not only in robust financial results, but in how those results are achieved and deployed, recognizing that long-term success for the Company is intertwined with the success and stability of the communities and environment in which it operates. Our approach, thus, aligns business strategy with the broader goal of creating a sustainable and ethical global business

environment, creating shared value for our stakeholders and society. HI and its relevant subsidiaries continue to explore opportunities to increase its direct economic impact. These include creating and growing a portfolio of strategically diversified and sustainable investments relevant to nation-building, supportive of the environmental and social goals, increasing funding from investors, and forging new partnerships. The company and its relevant subsidiaries is looking at establishing a long-term baseline target of sustainable investments level while allowing allocation levels to adjust in response to evolving market opportunities and the availability of ESG investments in 2026 and beyond. By focusing on inclusive growth through financial inclusion efforts and responsible investment, HI is building a resilient economic foundation for the future. With the growth of the financial services segment, HI expects to increase significantly its direct economic impact. In addition, the education, renewable energy, and property management sectors continue to be a growth space for HI.

Climate-related risks and opportunities

The climate-related risks are covered by the risk management process and are being discussed by HI's Board Risk Oversight Committee (BROC). HI is currently working on a plan for climate-related risks. Integrating sustainability into risk management, the Company's Enterprise Sustainability Management framework provides the structure and guidance on business sustainability management and on the approach to managing sustainability risks. HI recently implemented a digitized system for sustainability and risk management to monitor and manage not only the climate-related risks and opportunities, but the other sustainability-related risks as well. HI have yet to complete a working plan for addressing climate-related risks. The framework and digitalization is aimed to understand the impact on its businesses including the vulnerabilities at different climate change scenarios to be able to fully disclose on this. The Company will be working on the plan to be able to possibly disclose in 2026.

Governance – Disclose the organization's governance around climate-related risks and opportunities

1. Describe the board's oversight of climate-related risks and opportunities
HI has a Board Risk Oversight Committee (BROC), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the BROC's main roles is to review management's effectiveness in managing risks and sustainability. The BROC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. Efforts towards meeting sustainability initiatives are communicated to the BROC.
2. Describe management's role in assessing and managing climate-related risks and opportunities
The company has a Risk Management Council (RMC) composed of the top management. It meets every quarter to discuss the top risks and opportunities of company and strategies needed to manage such risks. The RMC is also tasked to execute the direction set by the BROC regarding strategic risks and opportunities. The HI Sustainability Team, a cross-functional team, is responsible for driving and managing the sustainability strategies. The Company has identified a champion for each of the sustainability pillars environment, social, governance, and economic. The top risks include ESG and climate change risks.

Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

1. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term
Climate change has increased the severity of extreme weather events like stronger typhoons, floods, storm surges, droughts, fires, and others. Such phenomena impact business, industry, and employee safety and well-being. HI Group has policies and procedures in place to protect

its businesses and employees. The Group is committed to address risks that may cause disruptions to its operations. Measures are put in place to mitigate the risks as provided for in the Group's crisis management, business continuity plans, and disaster risk management program. The Group periodically conducts drills and test exercises to ensure that programs are updated and working.

2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

The Company and its subsidiaries acknowledge the existence of climate change and its intensifying effect. The risks identified include the following: operational disruptions affecting service delivery; work stoppage in affected projects, offices, and service centers; destruction of properties where there is an extreme weather event, and increasing insurance costs. The Group has identified the following opportunities: investment in renewable power or clean energy (like solar power farms and wind power); development of capabilities to design and build structures for flood mitigation (like flood gates) and enhancement of capabilities to perform green construction (like LEED certified) for the property and property services group; fully online delivery of classes for the education group; digitization of processes across the entire group, financial literacy programs, responsible underwriting, among others. As awareness of climate change risk increases throughout HI, additional risks and opportunities identified and required funding (if necessary), are being integrated in the operations of the Group. The group of companies also have insurances and business continuity programs for managing the effects of these perils to the business units. The Group maintains and continues to invest in information technology and digitalization to improve further the Group's ability to provide services remotely and meet stakeholders' expectations.

3. Describe the resilience of the organization's strategy, taking into consideration different climate - related scenarios including a 2°C or lower scenario

HI Group just started to embark on sustainability initiatives a few years back, focusing on promoting awareness among its stakeholders, energy consumption reduction, and transitioning to clean energy. Awareness continues to grow, including the need to commit to ongoing reduction of environmental impacts. The year 2024 marked the beginning of the shift to renewable energy by partnering with renewable energy providers with a significant increase in renewable energy consumption in 2025. The HI Group is committed to doing its part in limiting a global rise in temperature to under 2° by 2030. HI has rolled-out its enterprise sustainability management framework which provides the structure in implementing and integrating sustainability into business strategies and organizational activities. The sustainability framework complements the risk management process aimed at addressing ESG risks and opportunities, which includes the climate-related risks. As risk and sustainability are becoming increasingly important issues for businesses, HI has embarked on the digitalization of the risk and sustainability management processes. The digitalization will allow the Group to manage risks and sustainability more efficiently, providing deeper insights into emerging risks and sustainability performance due to real-time insights and make more informed decisions. The Company will establish an environmental plan, anchored on the 2°C scenario, which will include the metrics to be used, outline strategies to be implemented, and provide for constant feedback to determine if HI Group is on track in meeting key targets. Adjustments will be made to ensure the HI Group will be able to meet its commitment.

Risk Management – Disclose how the organization identifies, assesses, and manages climate-related risks

1. Describe the organization's processes for identifying and assessing climate- related risk
The functional managers and their respective staff, as the risk owners, are responsible for identifying, assessing, and managing the climate-related risks inherent to their functions and operations. The Company has a Risk Management Council (RMC), composed of executive management, which meets periodically to discuss the key risks and opportunities, as well as

the necessary strategies to manage the identified risks. The key risks are reported to the Board Risk Oversight Committee (BROC) for review and appropriate guidance. HI conducts group risk reviews, where applicable or as necessary, to allow for benchmarking and comparison providing insights into industry norms, risk management practices, and potential areas for improvement within the company.

2. Describe the organization's processes for managing climate-related risks

Managing climate-related risks follow the HI risk management process. Risk Management, in coordination of the risk owners identify climate change risk areas and present to the RMC for discussion and strategic implementation. These identified risks are presented at the quarterly RMC and BROC meetings for review, clarification and guidance. The recent creation of the Sustainability Team, a cross-functional team, provides further support in developing and implementing sustainability strategies to ensuring that the organization meets its sustainability goals. HI ensures that the Group are aligned and continue to comply with the environment-related goals and commitments.

3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Climate-related risk assessment is imbedded into the enterprise risk management process. The impact of the identified risks to the organization's environmental, social, governance, and economic objectives is being assessed. Measures are undertaken to address the probability of happening and/or its impact. The identified climate-related risks are included in the periodic risk reviews, both at the Management and Board levels where appropriate. The risk champion for environment-related risks assists in monitoring and managing the risks.

Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

HI started to identify and decide on the metrics to be used to assess and manage relevant climate-related risks, opportunities, and climate change impact in 2025. The Company acknowledges that without metrics to track progress and measure impact, it would be difficult to ascertain if the sustainability initiatives are making a difference. The investment made in the digitalization of the risk and sustainability management will improve further the data collection and analysis, providing better insights into the impacts of climate change on business operations and strategy. Key metrics to be considered include greenhouse gas emissions, carbon intensity, renewal energy use, waste and material usage, and relevant social impact, among others.

2. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

HI aims to set top-level sustainability-related objectives and performance targets in 2025 as it implements the enterprise sustainability framework and manages ESG and climate-related risks. The digitalization of the risk and sustainability management processes will facilitate the process.

Procurement Practices

Proportion of spending on local suppliers

Local suppliers are suppliers with operations in the Philippines.

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	97	%

Excluding PetroEnergy Resources Corporation procurement for the new solar power projects, the expansion of the wind power project, and operational requirements.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

HI contributes to nation-building by purchasing from local suppliers whenever possible, thus directly impacting the suppliers' value chain and their employees. The group excluding PetroEnergy Resources Corporation (PERC) depends largely on local suppliers with 97% of total purchases on local vendors. Due to the highly technical requirement of PERC's project, many items need to be sourced abroad with only 40% sourced locally. This leads to potential inventory, logistics and foreign exchange risks.

The objective of HI's procurement process is to purchase goods and services efficiently and effectively while promoting fairness in dealings with its suppliers and service providers. The Company continuously review, improve, and enforce procurement policies and procedures to ensure that all business units and suppliers are compliant with principles under the YGC Code of Business Conduct and Ethics and the HI Code of Conduct, including but not limited to Conflicts of Interest, Related Party Transactions, among others. All vendors are vetted and screened. The Procurement Department also performs vendor management, strategic sourcing of repetitive items, management of big-ticket purchases, enterprise spend analysis, and procurement risk management. HI continues to strengthen vendor accreditation and performance evaluation. The main risk in procurement is the possibility that the necessary goods and services are not available at the time these are required which may lead to higher costs of acquisition. The risk is being managed by strictly monitoring budgetary requirements and forging bulk purchase agreements with the suppliers when necessary. Another risk is the inability of vendors to comply with the accreditation requirements of the company. This is being addressed by working closely with the vendors in assessing their practices and documentations against the accreditation requirements, providing assistance to implement corrective actions, if any.

Discussion on Opportunities

While the preference to purchase from local suppliers whenever possible is being practiced, there is no formal policy nor target metric for this. With the growth initiatives of HI, there is an opportunity to expand the support for local suppliers by developing new vendors and service providers, accessing new markets, and building resilience along the supply chain. HI will continue to work on procurement initiatives supportive of the UN sustainable goals.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to (1)	80	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to (1)	78	%
Percentage of directors and management that have received anti-corruption training (1)	52	%
Percentage of employees that have received anti-corruption training (1)	38	%

(1) Simple average across the following units: Financial Services, Property Management Services, Education, Energy

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	Number
Number of incidents in which employees were dismissed or disciplined for corruption	0	Number
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI abides by the highest ethical and legal standards set by the Yuchengco Group of Companies (YGC). The YGC Code of Business Conduct and Ethics (“Code”) implicitly prohibits any form of corruption. HI employees are required to strictly abide by the Code. The Code is further supported by a Whistleblower Policy.

The HI Group has zero tolerance for any form of corruption, fraud, and dishonesty. As such, anti-corruption protocols, and procedures, and training covers all employees, from directors to rank-and-file. Any incidence of corruption within HI’s ranks and operations has serious ramifications on the Company’s reputation, our employees’ morale, and the trust of our suppliers, as well as the legal sanctions imposed by the government and other regulatory bodies. Corruption also dilutes the Company’s direct economic impact. HI Group employees are made aware of the Company’s anti-corruption policies, such as the YGC Code of Business Conduct and Ethics, HI Code of Conduct, Related Party Transactions, Conflict of Interest, Insider Trading, and Whistleblower Policy. All employees are briefed on these policies upon onboarding. Employees also review these policies annually and sign affirmations that they have read and will abide by these policies.

HI communicates its anti-corruption policies and procedures to external partners via the Group’s Supplier Accreditation Policy. All potential and current suppliers must abide by the Accreditation Policy, which requires suppliers to declare relatives and friends employed within HI and its subsidiaries and affiliates. The subsidiaries have their own specific anti-corruption policies that support the overall YGC policies.

Discussion on Opportunities

The HI Group continue to strengthen the anti-corruption policies and procedures as applicable in its operations. Anti-corruption and related policies are rolled out group-wide for strict implementation and compliance. The Company has implemented a vendor performance evaluation process to ensure continued compliance with relevant laws and regulations, adopting ethics of highest standard and degree of integrity in providing optimum value to the stakeholders. HI will continue to raise stakeholders’ awareness on anti-corruption, its societal impact, and promote commitment to ethical business conduct. This will eventually contribute to a more transparent, accountable, and corruption-free environment that benefits not only the company, its stakeholders, but the society as a whole.

Environment

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (gasoline)	6,628	GJ
Energy consumption (diesel)	12,061	GJ
Energy consumption (total electricity)	234,390	GJ
Energy consumption (renewable electricity)	188,181	GJ
Energy consumption (non-renewable electricity)	46,209	GJ

Reference for gigajoules conversion: Biomass Energy Data Book which refers to GREET, The Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model, GREET 1.8d.1, developed by Argonne National Laboratory, Argonne, IL, released August 26, 2010.

Disclosure	2024 Quantity	2025 Quantity	Units	Increase (Decrease)	% Change
Energy consumption (gasoline)	3,032	6,628	GJ	3,596	119%
Energy consumption (diesel)	20,067	12,061	GJ	-8,006	-40%
Energy consumption (total electricity)	221,351	234,390	GJ	13,039	6%
Energy Consumption (renewable)	129,244	188,181	GJ	58,937	46%
Energy Consumption (non-renewable)	92,107	46,209	GJ	-45,898	-50%

The energy consumption increased in 2025 compared to 2024 improved occupancy rates in the property and property services business segment and the increase in business activity of the subsidiaries. It must be noted, though, that the Group had intentionally transitioned to using renewal energy in accordance with the climate action initiatives. The Group has contracted with renewal energy providers. Several subsidiaries are already using 100% renewal energy. For the year 2025, the renewable energy share to the total electricity consumption increased to 80%, from a 58% share in 2024.

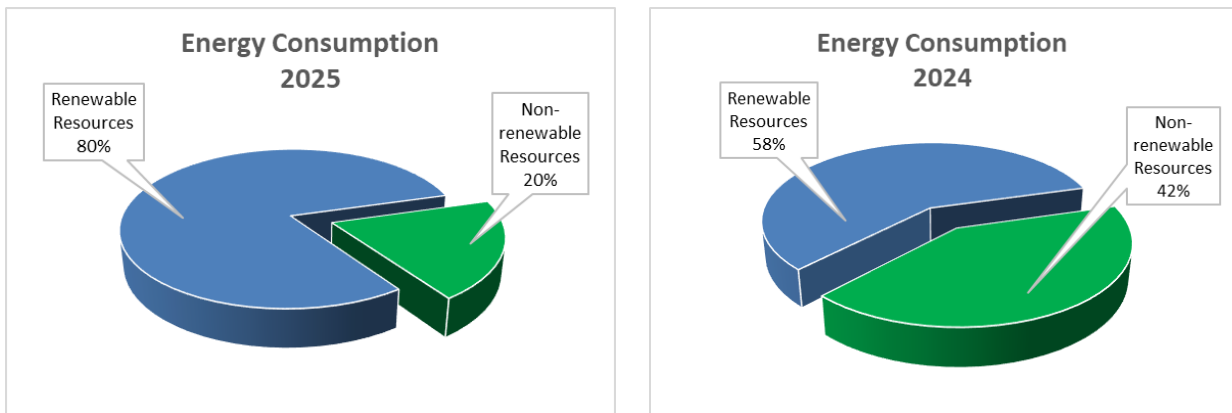


Figure 3. HI Renewable Energy Share. The renewal energy share in the energy consumption for the year 2025 increased to 80% from 58% in the previous year.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach. The energy, property and property services, and education segments are the top energy consumers. The power plants owned by the Company consumes the most electricity for its operational needs, due to the 24/7 operations of the geothermal power plant. The Company’s property managers are responsible for implementing energy efficiency measures within their controlled areas. In addition to the shift in energy source, HI Group continue to raise awareness on energy conservation and in establishing systems and processes to improve energy efficiency and usage, including replacement of lighting fixtures to more efficient models, replacement of chillers for centralized air conditioning, and/or optimization of operating hours of equipment to reduce electricity consumption. Heavy energy users are more vulnerable to supply interruptions, disruption in power supply can disrupt operations leading to potential losses in economic value. Changes in environmental regulations may impact the

company operations, exposing the company to reputational risks related to sustainability and environmental responsibility.

Discussion on Opportunities

While the Group has yet to implement and determine a formal energy reduction target, there is a group-wide implementation of energy saving policies and programs like the use of energy efficient lights and appliances, initiating systems and processes to improve energy efficiency and usage, and promoting awareness on energy conservation. As an initiative to utilize clean energy and support the use of renewable power, the Company has expanded its service offerings for the installation of solar rooftop systems to qualified business enterprises such as commercial and industrial facilities, including residential customers. In 2025, HI received the full year benefits of the contract with a provider of clean, renewable energy, resulting to lower costs and greenhouse gas emissions for the property segment and other subsidiaries. HI will continue to expand the coverage of the use of clean, renewable energy. The transition to renewal energy, diversifying energy sources presents an opportunity for HI to support its sustainability goals and an opportunity to address climate change and create a cleaner and more resilient community. In addition, the Company continues to integrate sustainability considerations into its development projects. A notable example is The Yuchengco Centre, a mixed-use office and commercial development under its subsidiary, San Lorenzo Ruiz Investment Holdings and Services, Inc., which is scheduled to open in 2026. The development incorporates green building technologies and sustainable design principles and is targeting Gold certification under Leadership in Energy and Environmental Design (LEED). Key features include strategic location and accessibility, sustainable site development, and innovation in building efficiency and environmental performance. Overall, the Company views the transition to renewable energy, the integration of sustainable technologies, and the development of green infrastructure as key opportunities to strengthen its sustainability performance, reduce environmental impact, and contribute to building a cleaner, more resilient community.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	372,302	Cubic meter
Water consumption	345,124	Cubic meter
Water recycled and reused	1,630	Cubic meter

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach Water consumption within the HI Group occurs at the holding company level and each subsidiary’s operations. The energy, property, and education divisions were the major water consumers during the year due to the requirements of the property services and power plants operations.

In general, water withdrawal for HI is through district utilities. The exception is the energy division whose power plants withdraw water from the local aquifer via deep wells. These deep wells have the necessary government permits. Water withdrawal in energy division is monitored using water meters. The maximum amount of water allowed to be withdrawn from the aquifer is set by the permit. The related risks of water consumption are from over-extraction which may lead to ground subsidence and the competition with the local community for the water resource which may lead to negative community relations.

The main risk associated with water consumption is running out of water. Water shortages result in disruption of operations and increased cost due to having additional water delivered to the sites via tanker trucks. Water shortage can be addressed by issuing advisories to consumers on how to conserve

and reduce water consumption. The Company continue to implement various programs and activities such as reducing watering of plants, and quickly fixing leaks or other defects. Water reduction initiatives such as regular preventive maintenance, installation of low-flow fixtures, and usage of rainwater collection systems were already in place which contributed to the reduction in consumption. Both Mapua and MCM collect rainwater for use such as cleaning and watering plants.

Discussion on Opportunities

The Group continues to implement a water conservation program and will set a target for water consumption reduction within the group as applicable to its operations. The energy division will continue to coordinate and assist in the management of watershed areas where it operates like the Makiling Forest Reserve and the Bamban watershed. For future power plant projects, the Company will consider the installation of rain harvesters as a means to save water. The Group may explore opportunities implementing water-efficient technologies and collaborating with stakeholders to optimize water use throughout the value chain.

Materials used by the organization

Disclosure	Quantity	Units
Renewable		
Paper	25,304	Ream
Packaging materials	1.88	Ton
Non- renewable	0	Kilogram/Liters
Percentage of recycled input materials used to manufacture the organization's primary products and service	0	%

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As with other environmental disclosures, materials use within HI is based on the nature of each subsidiary's business. The major material used by the Company is paper. The HI Group consumes paper for its operational requirements. Major users of paper are the financial services and education segments. The Company ensures that there is proper management of inventory and proper evaluation and assessment to avoid wastage and promote efficient use of resources. The quantity of materials used per year is dependent on the business requirements. As a matter of policy and part of the normal business operation, materials consumption is strictly monitored. The Group is cognizant of the need to reduce materials usage considering its impact to the environment and the corresponding incremental cost to its operations. Estimated materials consumption is based on the historical consumption and expected operational requirements for the year. Deviations of actual and/or requested consumption from the trend and estimated requirements are reported and discussed accordingly. The materials usage is strictly controlled with the implementation of an inventory management across the Group.

Discussion on Opportunities

HI Group continuously look for opportunities to automate and digitize where applicable with the end objective of reducing its materials consumption resulting to cost savings, increased efficiency and positive environment impact. HI reduces its paper usage by leveraging on technology, digitalizing key business functions and units, promoting paperless practices.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Maibarara Geothermal Power Project in Sto. Tomas, Batangas	Power plant
	• Nabas Wind Power Project in Nabas-Malay, Aklan	
Habitats protected or restored	• Maibarara: 1 hectare through tree planting activity	Hectare
	• Nabas: 7.14 hectares through tree planting activity	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Refer to tables below	

Maibarara Geothermal Power Project

Flora: Seven species are listed in the 2006 IUCN Red List of Threatened Species and DENR DAO 2007-01 (National Red List of Threatened Philippine Plants) as either vulnerable or critically endangered species (See table below). All the seven threatened species are trees.

Threatened Species recorded in the study area	Common name	Conservation status
<i>Artocarpus blancoi</i>	Antipolo	Vulnerable
<i>Celtis luzonica</i>	Magabuyo	Vulnerable
<i>Drynaria quercifolia</i>	Pakpak lawin	Vulnerable
<i>Koordersiendendron pinnatum</i>	Amugis	Vulnerable
<i>Macaranga grandifolia</i>	Takip asin	Vulnerable
<i>Parashorea malaanonan</i>	Bagtikan	Critically endangered
<i>Pterocarpus indicus</i>	Narra	Critically endangered

Fauna: No threatened species listed in the IUCN Red List and CITES List were recorded in the study area. Most of the recorded species are common and wide in distribution.

Nabas Wind Power Project

Flora: Only one (1) species is listed in the 2006 IUCN Red List of Threatened Species and DENR DAO 2007-01 (National Red List of Threatened Philippine Plants): narra (*Pterocarpus indicus*)

Fauna Seven (7) species are listed in the IUCN Red List and CITES. This means that hunting and trade of these species are strictly prohibited and is punishable by law under RA 9147 or the Philippine Wildlife Act of 1995.

Threatened Species recorded in the study area	Common name	Conservation status
<i>Sus cebifrons</i>	Visayan Warty Pig	Critically Endangered
<i>Macaca fascicularis</i>	Long-tailed macaque	CITES App. II
<i>Prionailurus bengalensis</i>	Leopard Cat	CITES II
<i>Spilornis cheela</i>	Crested Serpent Eagle	CITES II
<i>Haliastur indus</i>	Brahminy kite	CITES II
<i>Varanus salvator</i>	Water monitor lizard	CITES II
<i>Malayopython reticulatus</i>	Reticulated python	CITES II

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI has two facilities located adjacent to protected areas and areas of high biodiversity value: Maibarara Geothermal Power Project (MGPP), adjacent to Mount Makiling Forest Reserve (MMFR), and Nabas Wind Power Project (NWPP), adjacent to Northwest Panay Peninsula Natural Park (NPPNP). The MMFR covers 4,244 hectares and is under the jurisdiction of the University of the Philippines-Los Baños (UPLB). The NPPNP covers 12,009 hectares and is under the jurisdiction of the Northwest Panay Biodiversity Management Council (NPBMC).

Renewable energy power plants impact biodiversity and the ecosystem. The impact, however, is inherently lower than operating fossil fuel power plants. Other environmental risks include possible changes in surrounding landscapes during the construction process, bird strikes on wind turbine towers during operations, among others. The Company uses technological measures and cooperation with the local community to reduce the impact to biodiversity and ecosystems. Bird strikes are mitigated through DTBird, a shutdown-on-demand technology that was installed in the wind turbines to minimize bird mortality. This system consists of several modules including the detection, dissuasion, stoppage, and collision control when the presence of birds is detected near the turbines. As important, prior to development, the environmental impact assessment study revealed that the wind farm's project site is not a path for migratory birds.

Further, the Company take steps to be good partners with the protected area management agencies and with the local communities. MGPP has an ongoing Memorandum of Understanding (MOU) with UPLB to protect the Makiling Forest through tree planting and the allocation of support funds. The project funded the construction of two (2) watchtowers inside the MMFR to help in the protection and conservation of the area. The towers, similar to a lookout tower, serve as a forest station of MMFR forest guards so they can patrol the area against illegal activities, such as cutting of trees, slash and burn farming, etc.

MGPP also promotes habitat protection, which includes maintenance and protection of trees planted during the years 2015 to 2017. Planting and maintenance of the flowering fire trees (*Delonix regia*) along the boundary of MMFR is covered by MOA between MGI and LGU of Sto. Tomas, Batangas in accordance with the policies of UPLB -College of Forestry and Natural Resources (UPLB-CFNR) which has jurisdiction over the area. The nearby communities were tapped for the tree planting activities, as well as the maintenance and protection of planted trees inside the MMFR.

NWPP staff partner with the local communities for an annual tree planting activity with continuous monitoring, protection, and maintenance of the planted trees. Information Education Campaign (IEC) on biodiversity and wildlife and forest protection for the host community are likewise conducted.

Discussion on Opportunities

In 2025, the Company launched its biodiversity-focused and revitalized environment program dubbed as We Power C.A.R.E., which focuses on Conservation, Awareness, Restoration, and Eco-tourism. This program is carried out in cooperation with national and local government units and the Company's host communities, under the guidance of University of the Philippines Los Baños (UPLB). The program was launched through a coffee table book titled, Power in Harmony: Harnessing Energy, Protecting Nature.

The conservation aspect is directed at supporting and implementing conservation programs of 30 threatened species in the next thirty years. The program emphasizes the protection of biodiversity and the preservation of habitats for threatened species, through pollution studies, awareness campaigns and sustainable intervention projects. ensuring the maintenance of ecosystem balance. By actively

engaging in conservation efforts, the Company demonstrates its commitment to safeguarding natural resources, while promoting renewable energy.

The second aspect which is awareness aims at increasing the public’s information and understanding on the importance of environment protection and ecological preservation. The Company believes that increased environmental awareness is key to igniting public support and passion for nature conservation. Through educational campaigns and community engagement activities, the program will raise awareness about the importance of environmental protection and encourages collective action.

The restoration component on the other hand, will focus on rehabilitating and restoring ecosystems that have been adversely affected by human activities or natural disasters. This will be carried out through utilization of bio-engineering measures and greening initiatives.

In support of National Ecotourism Strategy and Action Plan, the Company will also roll-out ecotourism initiatives that highlight the beauty and cultural heritage of natural areas while ensuring their protection. These efforts not only enhance the ecological health of the regions but also provide economic opportunities for local communities through responsible tourism practices.

Complementing these initiatives, the Company is piloting agrivoltaics in Nueva Ecija. Agrivoltaics involve integrating solar power generation with sustainable food production. The pilot is being implemented in collaboration with the Central Luzon State University (CLSU). The project aims to showcase that renewable energy development and co-exist harmoniously with agriculture and food production.

Environmental impact management

Air Emissions

GHG

GHG Emission	Location Based	Market Based	Units
Direct (Scope 1) GHG Emissions 1	1,352	1,352	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions 1	32,079	7,343	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	-	-	Tonnes

1 Emissions calculated using Greenhouse Gas Protocol calculation tools.

Air pollutants

Disclosure	Quantity	Units
NOx	0	Ug/Ncm
SOx	Not applicable	Ug/Ncm
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	Ug/Ncm
Particulate matter (PM)	Not applicable	Ug/Ncm

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach Majority of the air emissions is from the use of electricity in the property services and education segments. school operations. The increase in energy consumption of the schools was due to the resumption of face-to-face classes and normal onsite operations. As a developer and operator of renewable energy power plants, the energy division emits much less air pollutants compared to power plants using fossil fuel. The Company’s major source of air pollutants during operations is the MGPP.

The NWPP and TSPP do not emit air pollutants during operations. The energy division also does not use ozone-depleting substances in its operations. While air pollutants are greenhouse gases that contribute to global warming and climate change, it has also potential risk to impact the health and well-being of the employees and other stakeholders.

Discussion on Opportunities

HI Group ensures compliance with environmental laws, regulations, standards, and other requirements such as permits to operate. The relevant business segments will continue to monitor emissions and ensure compliance with the standards set by regulatory agencies. For 2025, HI aims to reinforce an integrated approach into its processes and identify opportunities across all its divisions. The education division, through research and innovation, can help find solutions to reduce air pollution. The Company will look into and study available applicable technologies and process improvements that could help reduce air pollutants. HI also endeavors to fully diversify its energy source and transition to clean energy, enhance waste management.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	1,168,105	kg
Reusable	-	kg
Recyclable	727,290	kg
Composted	42,511	kg
Incinerated	935	kg
Residuals/Landfilled	397,370	kg

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Solid waste is a risk to both human health and the environment as a whole. Improper disposal of solid waste can lead to the spread of diseases and the release of harmful substances into the environment. It also opens the company to legal and financial repercussions. Major sources of solid waste include the property and property services, education, and energy divisions. The Company follows certain procedures in generating, storing, transporting, or disposing of its waste. The Company also acquired the services of hazardous waste contractors, which are all accredited by the Department of Energy and Natural Resources and other government agencies, ensure wastes are properly managed to avoid fines or environmental liability. These contractors are evaluated annually to guarantee efficient waste disposal management.

The waste generated by the Group consists of domestic waste, such as food waste, plastics, packaging, and others. Recyclable materials such as PET bottles, papers, and cans generated are donated to the local community within the place of business for the barangay livelihood program. The power plants are able to either compost or reuse food and garden waste and can also generate recyclable waste such as scrap tires, PET bottles, and cans. Residual wastes are disposed through DENR-accredited domestic waste haulers. The education segment strengthened its solid waste management in the campuses. Initiatives include consistent reminders on solid waste management, waste segregation at source, recycling programs, waste reduction programs (e.g., promotion of Bring Your Own containers/cups/utensils to reduce single-use plastic) and having a Materials Recovery Facility (MRF) in each school. Solid waste disposal is done by DENR-accredited waste haulers and disposed at accredited landfills.

Discussion on Opportunities

HI aims to continuously reduce the generated amount of waste by initiating and taking advantage of the various reuse, exchange, recycling, or donation opportunities available. The energy division is considering to implement more projects focused on upscaling wastes to be converted into more useful materials. The Company will also look at expanding the eco-brick project to involve more stakeholders. Another project under study is the provision of mobile libraries converted from a container van. These and other recycling initiatives will be more formalized and monitored.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	108,358	kg
Total weight of hazardous waste transported	116,124	kg

Main types of hazardous wastes produced are used oil, lead acid batteries, fluorescent bulbs, chemical wastes, and empty containers previously containing hazardous chemicals.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Hazardous waste is a serious risk to human health and safety and the environment as a whole. Risks include accidental spills, deliberate releases into the environment, improper storage, and improper disposal. These risks, if unmanaged, will lead to injuries, potential fatalities, severe pollution of the environment, and potential death of flora and fauna. It also opens the business unit to legal and financial repercussions. The main source of hazardous waste within the HI Group are the energy and automotive divisions. The Group complies with all regulations regarding hazardous waste handling, storage, transport, and treatment/disposal are observed. Personnel handling these wastes are given the appropriate training and personal protective equipment (PPE). The wastes are stored in a secured, onsite hazardous waste storage room. Treatment/disposal is done by DENR-accredited hazardous waste haulers and treaters. Records are kept via the Certificate of Treatment provided by these treaters.

Used oil from the wind and geothermal power plants are disposed in partnership with Bantay Langis, the used oil recycling program of ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI). The energy division donates the monetary value of the used oil to ALKFI, which goes to the Foundation's environmental protection programs.

Discussion on Opportunities

HI may extend the partnership with ALKFI for hazardous waste to other projects. Current protocols, procedures, and technologies used may also be assessed to see if there are ways to minimize the generation of hazardous waste. An onsite audit of hazardous waste treaters' facilities may also be conducted to ensure that the hazardous wastes are treated properly. In 2025, the company worked to accredit third-party providers for e-waste disposal. For 2026, HI aims to integrate approaches into its processes and identify opportunities across all its divisions.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	89,313	Cubic meter
Percent of wastewater recycled %	1.80	%

1 Data from Energy, Education, and Property only

2 MMCM has wastewater recycling (with own STP)

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Improper wastewater discharge has a negative effect on the environment through pollution, increased

sedimentation, and potentially spreading diseases. It also opens the company to legal and financial repercussions. Among HI’s business units, the energy and property segments has the highest volume of monitored wastewater discharge. The Group ensures full compliance with RA 9275: The Philippine Clean Water Act and DAO 2016-08 Water Quality Guidelines and General Effluent Standards. The Group’s facilities are either connected to a centralized sewage treatment facility or have their own sewage treatment plants (STP) or septic tanks in compliance with DENR requirements on wastewater discharge. Currently, only Mapua Malayan Colleges Mindanao (MMCM) operates its own STP. The STP has a Discharge Permit, and wastewater parameters are monitored and complied with in accordance with the permit requirements. This is accomplished through regular monitoring and preventive maintenance. MMCM uses the treated wastewater for watering the landscape. This solution is also being adopted in the new Mapua campus in Makati. The power plants of the energy division generate domestic wastewater. The wastewater goes through a three-chambered septic tank with concrete flooring. Once full, the septic tank is siphoned by an accredited third-party contractor for proper disposal. The building where the head office is located also has its own septic tank. In addition to effluents, MGPP also monitors the water quality of the brine used in its turbines.

Discussion on Opportunities

HI will continue to research on and study available technologies that may help in managing water discharges. The Company will also continue to ensure compliance with regulatory obligations and ensure that any water discharge will not harm the environment and surrounding communities. For 2026, HI aims to integrate approaches into its processes and identify opportunities across all its divisions.

Environmental compliance

Non-compliance with Environmental Laws and Regulation

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	Number
No. of cases resolved through dispute resolution mechanism	0	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
 HI Group prioritizes compliance with all environmental laws applicable to the Company’s operations. Any non-compliance has regulatory risk, resulting in fines and/or sanctions which would disrupt the company’s operations. HI business units, where applicable, have onsite Pollution Control Officers to oversee environmental compliance and are responsible for ensuring compliance with environmental laws and regulations.

Discussion on Opportunities

HI ensures compliance with all environmental laws applicable to the Group’s operations and continues to minimize environmental violations by constantly improving its policies and practices. The Group monitors issuances of regulatory agencies and organizations relevant to its operations to be able to anticipate and adapt to potential changes. Violations are evaluated and necessary corrective measures are immediately implemented to ensure non-recurrence.

Social

Employee Management Employee Hiring and Benefits Employee data

Disclosure	Quantity	Units
Total number of employees	6,808	Number
Number of female employees	3,160	Number
Number of male employees	3,648	Number
Attrition rate	3.12	Rate
Ratio of lowest paid employee against minimum wage	1 : 1	Ratio

1 Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year. May also be considered as Labor Turnover.

2 Ratio is presented as follows: salary of lowest-paid employee : minimum wage

3 The minimum wage per locality was applied in calculating the ratio.

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	97%	96%
PhilHealth	Y	97%	95%
Pag-ibig	Y	97%	96%
Parental leaves	Y	20%	10%
Vacation leaves	Y	78%	73%
Sick leaves	Y	55%	43%
Medical benefits (aside from PhilHealth)	Y	94%	91%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	1%	0%
Further education support	Y	3%	3%
Company stock options	N		
Telecommuting	Y	42%	38%
Flexible-working Hours	Y	64%	62%

Housing assistance (aside from Pag-ibig) Health Care; Telecommuting except Health Care, Property Services

The Group is compliant with and provides all government-mandated benefits to all covered employees. In addition, the Group provides medical benefits aside from PhilHealth in the form of health maintenance organization plan or medical insurance to its covered employees. The Group likewise promote continuing education by providing further education support by way of scholarships and/or discounts. The health care division provide housing assistance aside from Pag-ibig to its covered employees.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The HI Group overall offers competitive wages, though specific rates will differ between the divisions, partly influenced by industry standards. As a conglomerate, the success of its employees will lead to the success and satisfaction of its clients. Risks due to employee attrition and wages include increased expenses in the recruitment and training of new employees, and the possibility of not being able to fill-up vacated positions which may lead to operations disruptions and below standard delivery of products and services resulting to customer dissatisfaction and revenue loss.

The Group recognizes that remuneration is an essential concern of employees. Thus, the divisions ensure that employees receive salaries commensurate with the value of the work they provide. HI Group identified opportunities to improve employee hiring and retention through matching benefits with market demands and improved training programs. Across the HI Group, the divisions ensure that employees receive government-mandated benefits. In addition, the divisions may provide varying benefits and incentives to their respective employees considering the nature of its operations.

The education division hire the most temporary employees due the nature of its operations and the delivery of its learning services. The number of employees needed is dependent on the student population in the education division. The property management services and energy divisions are male dominated, having higher number of male employees than female employees which is likewise inherent to its operational requirements. To mitigate the potential risks of the gender imbalance, all employees are informed of the Sexual Harassment Policy, which identifies unacceptable behavior and policies and procedures to be followed in case of harassment.

Attrition rates are division-dependent. Highest attrition rates during the year were recorded in education and the health care divisions. This is due to the high competition among companies in these respective industries for competent and trained employees. To manage attrition rates, the HR Departments focus on hiring the right talent and attitude, offering competitive compensation package, observing work-life balance, and healthy working environment. Upon voluntary separation from the divisions, employees are also interviewed by HR to determine the causes for the separation. This information is studied and used by HR as the basis for steps to take in the future.

The ratio of the lowest-paid employee’s salary against minimum wage is also division-dependent because of the different operations and hiring requirements per division. However, all members of the HI Group follow all labor laws, including laws on minimum wage.

Employee training and development

Disclosure	Quantity	Units
Total training hours provided to employees	157,820	Hour
Female employees	88,513	Hour
Male employees	68,971	Hour
Average training hours provided to employees	25	Hour/employee

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The education division has provided the most total number of trainings and average training hours to its employees, most of which are technology-related aimed at improving the online or remote delivery of classes and services. In addition to the internal and external trainings provided to promote career and professional growth, the education division supports and invests in further education of the relevant employees. The education division provide opportunities for training, certifications, and attendance in seminars and conferences to upgrade employee skills. Faculty members are given opportunities for further study and research; incentives for publication; and support for paper presentations both local and international. This initiative builds the competencies required to sustain the standard of education and services committed to the stakeholders.

The Group’s training program is anchored on the Company’s goals and business plans. It is designed based on the training needs analysis (TNA) conducted by HR and the employees’ department head. It is important to carry out a proper training needs assessment to determine the kind of training employees need to make sure that they are confident and competent in completing the assigned function. Where applicable, an individual development plan is developed for the employees. Key risks associated with

inadequately trained employees include poor customer service, lower organizational productivity, and increased attrition and turnover which may significantly impact the reputation of the Group.

Discussion on Opportunities

Advocating continuing education to sustain the high level of standards for its products and services, the HI Group continue to invest and provide the necessary trainings to its employees and ensure that the necessary skills and competencies are acquired to meet the requirements of the organization. The Group will continue to enhance the learning delivery which may include cross-posting and e-learning, effectively identify and improve career gaps reviews and designing more effective training programs for the employees. Beyond technical capability building, the Company sees an opportunity to further embed sustainability into its organizational culture through employee engagement and experiential learning. In partnership with the Human Resources function and select subsidiaries, the Sustainability Team implemented a sustainability-themed team building activity to promote awareness and collective responsibility. On June 21, 2025, the Company conducted its annual team building activity, participated in by 224 employees, with the theme “One HI Family for a Sustainable Tomorrow: Collaborate, Innovate, Thrive.” The event fostered collaboration, engagement, and a shared sense of purpose aligned with the Company’s sustainability agenda. Facilitators from Mapúa Malayan Colleges Mindanao led hands-on activities involving the creation of solar-powered lamps and chargers, raising awareness on renewable energy solutions. Meanwhile, Malayan Insurance introduced its “Master of Disaster” board game to strengthen employees’ understanding of disaster preparedness and resilience. The security agency also conducted sessions on essential survival and rescue techniques. These initiatives highlight the Company’s opportunity to build a more engaged, resilient, and sustainability-oriented workforce. By integrating sustainability principles into training and employee engagement programs, the Company enhances its organizational culture, supports long-term value creation, and contributes to building a more informed and responsible community.

Labor management relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements		
Education	14	%
Financial Services	23	%
Health Care	67	%

Percentages based on permanent employees. Temporary employees are not eligible as members of the unions.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI companies respect employee rights to freedom of association and collective bargaining. The companies ensure that platforms for grievances are well-established and communicated to our employees. Proper dialogues with the appropriate management representatives and employees are conducted to address their concerns. The divisions with collective bargaining agreements endeavor to comply with the provisions of the agreement and regularly conduct labor-management meetings promoting transparency and communication for a healthy, positive labor relations. Risks due to negative relations may impact the operations like work stoppage or strike, financial risk due to low productivity, and reputation or loss of confidence in the organization by its stakeholders. Unresolved issues with the union may lead to unfair labor practice, which may be grounds for filing administrative, civil, or criminal cases.

Discussion on Opportunities

To ensure that there is a fair and transparent resolution of all union-related issues, the respective divisions will continue the regular engagement discussions with the unions to thresh out labor related issues before they become full-blown labor cases. The engagement discussions may also be used as

avenues to eventually agree on the policies that would be beneficial to both management and the employees and to ensure that good relations between the union and the company is maintained.

Diversity and equal opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	46%	%
% of male workers in the workforce	54%	%
Number of employees from indigenous communities and/or vulnerable sector*	3	Number

Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The HI companies value diversity by observing non-discriminatory practices in the hiring process, and instead focusing on the capabilities of potential employees. This allows the Group to reduce risks associated with lack of diversity, including unwanted limitations in perspective that can affect effective product and service development and highly-informed decision making. Promoting diversity can also help manage risks to brand and reputation.

The variance in the overall male-to-female ratio of HI Group, which includes both the total of permanent and temporary employees, is due to the property management services, automotive, and energy segments which are male dominated.

Discussion on Opportunities

Although HI Group companies conduct non-discriminatory practices in hiring, there are opportunities to increase female participation in traditionally male-dominated fields and vice-versa, which can positively impact brand and reputation and organizational perspectives. The lens of diversity also presents an opportunity for the HI Group to determine which diversity categories, beyond gender, are meaningful to their respective industry and local context.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	4,634,368	Man-hours
No. of work-related injuries	39	Number
No. of work-related fatalities	0	Number
No. of safety drills	16	Number

Safe manhours" is defined as total number of continuous working hours since the last safety-related incident. This count resets to zero if an accident occurs. "Total manhours" is defined as Total Working Hours less Lost Time due to accident or other safety-related incidents.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The HI Group has a strong safety culture, complying with the rules and regulations on occupational health and safety (OHS) standards. The relevant divisions have a well-established OHS mechanism applicable to their respective businesses that includes safety procedures, training, and safety drills. The Group realizes the importance of ensuring the welfare and safety of its employees, in addition to potential reputational risk implications of worker accidents and fatalities.

The property and automotive division have the highest exposure to employee health and safety risks within the Group due to the nature of its operations and the projects it pursues. To manage these risks, the division employs a fully staffed and competent Safety Department that ensures safe working practices are employed in all of its projects. Moreover, safety violations are closely monitored and met with appropriate disciplinary actions to contain this risk. In addition to compliance with policies and procedures on workplace conditions, labor standards, and human rights, employees are given appropriate OSH Training.

The education division also has a significant exposure to health and safety risks, both to the employees and students. In 2025, IPO schools continued to implement their respective Health and Safety Protocols based on CHED, DOH and DTI regulations and ensuring that there is strict compliance cross all the IPO schools. Health and safety reminders and health bulletins are also regularly communicated school-wide through postings in their websites, emails, and social media. In addition, as a minimum health standard each school has a clinic staffed with healthcare providers to address injuries or sickness that occur on-campus.

Discussion on Opportunities

The Group will continue to cultivate the culture of health and safety across its operations. The Company will work continuously with other OHS practitioners to enable a sharing of best practices in OHS. Further, HI will monitor updates in relevant regulations to ensure compliance.

The education division is evaluating its health and safety protocols to ensure that such protocols cover all circumstances that may affect the health and safety of its employees and students, particularly in the event of calamities, natural disasters, and pandemic events. This includes the possibility of having regular structural audits to monitor and ensure the structural health of school buildings and other structures within the schools' campuses, and regular review and audit of the schools health and safety protocols which cover pandemic events such as the COVID pandemic.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	Number

The Group is compliant with labor laws and human rights, having no reported violations.

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Disclosure	Y/N	If Yes, cite reference in the company policy
Forced labor	N	Not explicitly indicated in policies but compliant with labor laws and human rights
Child labor	N	
Human Rights	Y	Employee Manual

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As a member of the YGC, HI Group abides by the YGC Code of Business Conduct and Ethics. The Group strictly observes human rights laws, particularly those against forced labor and child labor. The divisions have and strictly implement their own specific policies. While forced labor, child labor, and human rights are not explicitly discussed in these policies, compliance with labor laws and human rights is implied as part of compliance with all national and local laws and regulations around these issues.

Discussion on Opportunities

There is an opportunity for HI Group to strengthen commitment to the promotion of human rights especially since the Group is present in labor-intensive industries as property, automotive, and education segments. The Group will endeavor to work on policy provisions on human rights including anti-child labor, anti-forced labor, and respect for vulnerable group in employee, business partner, and other relevant company policies, and mechanisms for due diligence.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

The Procurement Shared Services (PSS) of HI provides essential procurement services to YGC members. All vendors are vetted and screened. PSS also performs vendor management, strategic sourcing of repetitive items, management of big-ticket purchases, enterprise spend analysis, and procurement risk management. It also develops, implements, and enforces procurement policies, procedures, guidelines, and practices for all YGC members. Some divisions may have their own procurement departments with their own supplier accreditation policy. However, these policies should complement YGC policy.

Do you consider the following sustainability topics when accrediting suppliers?

Disclosure	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	Explicitly mentioned in the Vendor Sustainability Attestation; Supplier Accreditation Policy
Forced labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Child labor	N	
Human Rights	N	
Bribery and corruption	Y	Procurement Code of Behavior/Ethics for Suppliers

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
 As a member of the YGC, HI Group abides by the YGC Code of Business Conduct and Ethics and Supplier Accreditation Policy. The divisions may also have their own specific policies. While forced labor, child labor, and human rights are not explicitly discussed in our internal policies, compliance with labor laws and human rights is part of the legal compliance requirements that our supplier need to meet in our accreditation process. The list accredited suppliers are reviewed periodically and suppliers with reported violations or negatively impact the Group may be, after an objective assessment delisted. The Company acknowledges that labor practices and other human rights violations at the supply chain may impact the reputation of the Group.

Discussion on Opportunities

HI continue to enhance its supplier assessment across companies to include other sustainability criteria. The Company implemented the Sustainability Vendor Attestation for vendors to improve visibility on the vendor’s sustainability compliance and performance aimed at ensuring the integration of the accreditation requirements in the operations of the supply chain. HI recognizes that the Group needs to work with suppliers on capacity building and with industry peers for the efficient and effective implementation. The challenges of applying supply chain management techniques will require more quantitative studies, to evaluate the potential gains from better information management and the use of digital technologies. HI will work on enhancing its supplier assessment to include other sustainability criteria minimize exposure to supply chain risks.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of schools (K-12, undergraduate, post-graduate)	Luzon, Mindanao	The poor (Class D and E) as part of NSTP Adoption of Communities	No	None	None
Building Projects	Luzon, Visayas, Mindanao	Not applicable	No	Yes	Coordination with MMDA, LGU, and other applicable regulatory agencies for traffic management schemes
Maibarara Geothermal Power Project	Sto. Tomas, Batangas	Not Applicable	No	Odor coming from the geothermal plant caused by H2S	Continuous Air quality Monitoring System (CAMS) installed near facility, shows H2S concentrations are within or below DENR standards Constant engagement with community to educate them on plant operations and reassure compliance with DENR
Nabas Wind Power Project	Nabas-Malay, Aklan	Not Applicable	No	Local hiring for applicable jobs	Health, Education, and Livelihood Projects
Tarlac Solar Power Project	Tarlac City	Not Applicable	No	Local hiring for applicable jobs	Health, Education, and Livelihood Projects

Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: Not Applicable

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	Number
CP secured	Not applicable	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Three divisions of the HI Group have significant impacts on their neighboring local communities: education, property and property services, and energy.

The education division have significant impact on the local communities around the school as hubs for thousands of students, faculty, and staff. A significant number of businesses that cater to the needs of the students (e.g., eateries, photocopying services, dormitories, etc.). These contribute to the economic development of the area. However, a potential negative impact is the increased traffic around the school areas due to increased travel around the area to service students. The Group works with the local government units (LGUs) to develop traffic routing schemes to lessen the schools' impacts on the traffic situation, and that vehicles and people around the schools do not hamper or impede the flow of traffic. The schools continue to coordinate with the LGUs on the implementation of health and safety protocols mandated under IATF, DOH and CHED guidelines during the COVID pandemic. Further, the education division continue to offer online platforms to deliver classes, distance learning modules, and fully online programs. This is to diversify its offerings, reducing the risk and burden of students to go to school especially during the COVID pandemic. Currently, the Company delivers hybrid classes on a school-wide level when necessary and applicable.

The property segment continues to develop properties and the construction of the 28-storey building in Makati is on-going. The project provides employment to contractors, workers, as well as economic benefit to businesses in the area. Negatively, the noise of large equipment or traffic congestion due to the road disruptions affects the community. However, the Company ensures the proper coordination of project service providers with MMDA, LGU, and other agencies to address proper execution of Traffic Management Measures on the job sites, ensure a safe pedestrian access on roadways, maintain orderliness and cleanliness of construction materials placed in road spaces, provide traffic safety signs and campaign. Projects near residential areas observe allowable hours of operations, particularly at night, when most of the residents are resting at their homes.

As an operator of renewal energy generation facilities, the energy division has much less impact on the local community compared to standard fossil fuel power plants. However, impacts still exist through potential air pollution from the power plants (geothermal) and competition for water resources. PERC mitigates these by complying with all environmental regulations and consistent engagement with the community.

Discussion on Opportunities

HI has integrated sustainability into its strategies and processes and is in the process of identifying opportunities across all the relevant divisions. The education and property divisions, including the new business acquisitions, will continue to generate opportunities for communities such as increased access to many new and efficient facilities, provide a new source of income for those within the communities, and create better livelihood and employment opportunities.

To improve further the relationship with communities, the energy division will continue its corporate social responsibility program under the We Power H.E.L.P. banner. The division will also assist the communities so that they could access renewal energy incentives, such as the ER1-94 Benefit to Host

Communities from the DOE. The Company will provide assistance in terms of drafting project proposals, opening bank accounts, and implementing and monitoring approved projects.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer Experience Index	90	No. Done internally
Customer Satisfaction Survey	95	No. Done internally
Net Promoter Score	8%	No. Done internally
Student Happiness Survey	1.03	No. Done internally

Customer experience covers the financial services, customer satisfaction rating covers the automotive division; the Net Promoter Score and Student Happiness Survey is based on the education division's report.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Customer satisfaction is key to the sustainability of HI and its subsidiaries. It impacts customer loyalty and future sales. We see customer satisfaction as a measure of how we are able to meet our customers' needs, which defines how we create value for our customers through our products and services. Product quality is key to us, especially as we are involved in the financial services, education, property and property services, and automotive where poor quality could lead to extremely high costs to property and human life. Any dissatisfied customer is an opportunity for us to review how we deliver value to them. Customers of the HI Group companies may include private individuals, other businesses, and government. As such, customer satisfaction indicators vary per company depending on the type of customers they serve.

Discussion on Opportunities

HI will continue to explore and/or conduct qualitative and quantitative approaches to measuring customer satisfaction. Opportunities for improving customer management may include structured customer surveys and more frequent requests for customer feedback. The education division continue to use these methods to improve their delivery of service. However, the surveys and methodologies are periodically reviewed to ensure that they provide a fair and accurate evaluation. Those division without a formal survey questionnaire to rate the customer satisfaction may consider its development to improve customer management.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	Number
No. of complaints addressed	0	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by agencies.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI Group considers the health and safety of its products and services to be a top priority. The Group's products range from vehicles, medicines, and services targeted towards individual consumers while property management, security services, and energy cater to businesses. HI Group ensures that its products and services adhere to the highest safety standards, regardless of who is at the receiving end.

Discussion on Opportunities

HI Group continue to evaluate and update the policies and procedures, monitor rules and regulations to ensure compliance in protecting customer health and safety. The construction division will improve its safety and health policy and procedures to protect internal and external customers and shall continue to adhere to the best international health and safety practices.

Marketing and labeling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	-	Number
No. of complaints addressed	-	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
There is no reported complaint against the Group during the year. HI Group, as a matter of policy and practice, take particular care to not misrepresent itself or its products to its customers and other stakeholders. Risks include loss of reputation of the companies, especially with the current widespread use and reach of social media. The reputation of the Group, as well as the recognition as part of the YGC, is a marketing strength. The Group periodically review its websites and other marketing and communication materials to ensure its accuracy and relevance. The materials are pre-cleared prior to the release of information.

Discussion on Opportunities

The Group regularly evaluates current marketing and communication strategies. This is to ensure that the strategies are appropriate and responsive to the needs of the group. The education division plans to upgrade the skills of its current marketing teams which includes crisis communications, management training, and social media management are being evaluated

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	Number
No. of complaints addressed	0	Number
No. of customers, users and account holders whose information is used for secondary purposes	-	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As a matter of policy, HI Group companies respect and uphold data privacy rights and ensure that all personal data collected from customers, suppliers, and other third parties are processed pursuant provisions of the Data Privacy Act of 2012 as reflected in each company's Data Privacy Manual. Risks due to loss of customer privacy include damage to the companies' reputations, disruption of operations, legal liability under new and amended laws, regulations, and guidelines, as well as contracts, and financial cost. Designated Data Privacy Officers at HI Parent and the Group are tasked to ensure compliance with the Data Privacy Act by implementing the data privacy policies of their respective companies. Privacy notices and data privacy statements are present in documents so that both internal and external customers are informed of how their information will be used. The divisions also have policies and protocols in place to handle complaints and inquiries on data privacy. As part

of YGC policy, all HI Group employees are required to complete the annual IT security and data privacy training.

Discussion on Opportunities

HI Group on a continuing basis evaluate the relevant policies to ensure that the group continue to secure customer information and that the policies are updated and compliant with current laws and regulations.

Data security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI ensures strict compliance with the data privacy act and the company’s information and communications technology security policy. HI conducts periodic review and information campaign through data privacy and cybersecurity awareness programs. Further, HI initiated a groupwide investment in cybersecurity resources. The Group have IT policies on data security, such as a Data Privacy Manual, which are strictly implemented and regularly updated by their respective departments. The Data Privacy Manual includes the procedure on reporting an incident and the process of assessment and investigation. Mishandling and unauthorized disclosures of personal information of our stakeholders such as customers and vendors may lead to legal or regulatory sanctions.



Discussion on Opportunities











The Group is strictly implementing the respective data privacy policies to ensure the security of all the information collected from all stakeholders. These policies are regularly updated to ensure that they are compliant with current laws and regulations, and that these are cascaded to all concerned.

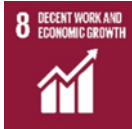
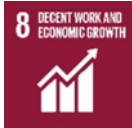
UN Sustainable Development Goals


Product or Service Contribution to UN SDGs

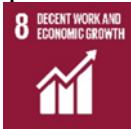


Key products and services and its contribution to sustainable development.



Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Subsidiary: Malayan Insurance Co., Inc. Assets and property insurance	<ul style="list-style-type: none"> Strengthens financial resilience of businesses and households by enabling recovery from catastrophic events Supports climate adaptation and disaster recovery 	<ol style="list-style-type: none"> Limited affordability for small businesses and low-income segments Reduced insurability of high-risk or catastrophe-exposed properties Potential protection gaps in climate-vulnerable areas 	<ol style="list-style-type: none"> Risk-based pricing to ensure long-term sustainability of coverage Development of simplified or modular products for SMEs and emerging segments Use of catastrophe modeling to improve risk selection and portfolio management Client risk advisory (loss prevention, risk mitigation practices)
Subsidiary: Malayan Insurance Co., Inc. Personal and family insurance	<ul style="list-style-type: none"> Provides financial protection to individuals and families against accidents and unforeseen events Enhances financial inclusion and social protection systems 	<ol style="list-style-type: none"> Affordability constraints for underserved populations Exclusion due to underwriting criteria (e.g., risk profile, pre-existing conditions) Low insurance awareness leading to underinsurance 	<ol style="list-style-type: none"> Expansion of retail products and its distribution to improve accessibility Development of affordable, standardized products (e.g., simplified PA coverage) Customer education initiatives (e.g., Insurance 101, disaster awareness programs) Continuous review of underwriting criteria to balance inclusion and sustainability
Subsidiary: Malayan Insurance Co., Inc.	<ul style="list-style-type: none"> Supports continuity of daily activities and economic participation 	<ol style="list-style-type: none"> Perception of insurance as non- 	<ol style="list-style-type: none"> Product innovation aligned with evolving






Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Lifestyle insurance	<p>through protection against disruptions</p> <ul style="list-style-type: none"> Enhances consumer confidence in mobility, travel, and digital lifestyles  	<p>essential, leading to low adoption</p> <ol style="list-style-type: none"> Affordability concerns Emerging risks (e.g., EVs, new mobility trends) with limited actuarial data 	<p>risks (e.g., mobility, digital risks)</p> <ol style="list-style-type: none"> Prudent underwriting approach for emerging risks (e.g., EVs) due to cost and uncertainty Integration into digital and embedded insurance ecosystems Ongoing monitoring of claims experience to refine pricing and coverage
<p>Subsidiary: RCBC Trust Corporation</p> <p>Unit investment trust funds</p>	<p>Financial growth, access to diversified portfolio</p>    	<ol style="list-style-type: none"> Inequality, inaccessible to lower-income population 	<ol style="list-style-type: none"> Inclusive products, broaden access across income levels
<p>Subsidiary: RCBC Trust Corporation</p> <p>Trust funds</p>	<p>Help manage, grow and transfer assets, financial stability for beneficiaries, structured support for future requirements</p>  	<ol style="list-style-type: none"> May not be accessible to low-income segments Widen wealth inequality gap 	<ol style="list-style-type: none"> Equitable access by promoting access to trust fund investments Sustainable investment policy
<p>Subsidiary: RCBC Trust Corporation</p> <p>Fixed income securities</p>	<p>Secure a passive income from low-risk investment product</p>  	<ol style="list-style-type: none"> Inaccessible to small investors Misuse of funds 	<ol style="list-style-type: none"> Retail access to fixed income market Promote and invest in sustainability-linked investments
<p>Subsidiary: Sun Life Grepa Financial, Inc.</p> <p>Investment-linked</p>	<p>Contributes significantly to SDG 8, which aims to promote dignified work and sustainable economic growth. This insurance</p>	<ol style="list-style-type: none"> May not be accessible to low-income segments due to high premiums or initial investment amounts. 	<ol style="list-style-type: none"> Develop affordable options through FinTech or viable business models Investor education






Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
insurance	<p>product enables individuals and businesses to safeguard their financial futures while concurrently investing in capital markets, thereby securing their economic well-being</p> 	<ol style="list-style-type: none"> 2. Investment risk for policyholders if the product isn't well understood by clients- this can impact financial well-being. 3. Greenwashing risk if marketing products as sustainable without third party verification. 	<ol style="list-style-type: none"> 3. Actively engage with fund manager and companies invested in, encouraging them to adopt more sustainable business practice
<p>Subsidiary: Sun Life Grepa Financial, Inc.</p> <p>Protection and saving plans</p>	<p>Protection and saving plan plays an important role in achieving SDG 8 because it promotes financial stability and economic resilience. In details, protection and saving plan prevents families from plunging into poverty and economic hardship by providing a safety net against unanticipated life events, such as the loss of a breadwinner. This product line supports the goal of promoting sustained economic growth and job creation by protecting livelihoods and preventing individuals from falling into poverty by providing financial protections in time of need. In essence, protection and saving plans will help to create a more equitable and economically resilient society.</p> 	<ol style="list-style-type: none"> 1. May not be accessible to low-income segments due to high premiums or initial investment amounts 2. If returns are market-lined or unclear, policy holders may be misled 3. Early withdrawal or lapses in payment can result in penalties undermining protection goals 4. Possibility of low yield relative to inflation as traditional savings plans may not keep up with inflation 	<ol style="list-style-type: none"> 1. Develop affordable options through FinTech or viable business models 2. Investor education programs by offering financial literacy initiatives to help clients understand market risks and long-term benefits. 3. Actively engage with fund manager and companies invested in, encouraging them to adopt more sustainable business practices.


Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Subsidiary: Sun Life Grepa Financial, Inc. Health protection	<p>By assuring equitable access to essential medical care and promoting overall well-being, health insurance makes a significant contribution to SDG 3: Good Health and Well-being. By providing financial assistance for medical expenses and healthcare services, health insurance reduces barriers that can prevent individuals seeking prompt medical care. This results in early detection, effective treatment, and enhanced health outcomes. By alleviating the financial burden of medical care, health insurance contributes to a healthier population, reduced health disparities and a stronger foundation for achieving the goal of excellent health and well-being for all.</p> 	<ol style="list-style-type: none"> Coverage exclusions or limitations such as pre-existing condition, age, or benefits caps can leave vulnerable groups underinsured. Access to healthcare if people in rural or underserved regions may have limited access to partner health care providers. 	<ol style="list-style-type: none"> Clear transparency and client education on coverage and exclusions Invest in expanding healthcare network and offer telemedicine options for underserved areas
Subsidiary: Sun Life Grepa Financial, Inc. Mutual funds	<p>Mutual funds contribute significantly to the achievement of Sustainable Development Goal 8 (SDG 8), which aims to promote decent work and economic growth. These investment vehicles promote the flow of finance into enterprises and initiatives that generate jobs, directly contributing to the goal of generating full and productive employment.</p>	<ol style="list-style-type: none"> Exposure to non-ESG compliant assets and industries with weak ESG practices Currency and market volatility especially global exposure funds can be susceptible to foreign exchange risks and geopolitical instability, which could negatively affect fund performance and investor confidence 	<ol style="list-style-type: none"> ESG Screening and Integration by applying strict ESG criteria in our investment process. Active engagement with stakeholders and corporates to encourage improvements in ESG practices Transparent Reporting and Disclosures by regularly publish

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>Furthermore, mutual funds frequently prioritize investments in companies that adhere to fair labor practices and safe working conditions, which aligns with SDG 8 ideals. Not only that, by providing accessible investment options to retail investors, mutual funds serve to minimize income inequality and support the broader goal of equitable and sustainable economic development, which is a key component of SDG 8.</p> 		<p>fund disclosure.</p>
<p>Subsidiary: iPeople, Inc.</p> <p>Education from kindergarten to post-graduate (depending on the school); non-certificate courses and trainings</p>	<p>4.3 Equal access to affordable technical, vocational, and higher education</p> <p>4.B Expand higher education scholarships for developing countries</p> <p>4.C Increase supply of qualified teachers in developing countries</p> <p>8.6 Promote youth employment, education, or training</p>  	<ol style="list-style-type: none"> Inaccessible to lower-income Filipinos particularly since hybrid, online or remote delivery is being implemented Increase in number of internally funded-scholarships and discounts is not cost-effective for the schools High quality of graduates results in high demand and pay offered by companies both here and abroad, which results in loss of employees (e.g. qualified faculty) for IPO 	<ol style="list-style-type: none"> Partnerships for scholarships (government and private) Internally-funded scholarships and discounts to allow the lower income segments to enroll. Offer competitive pay, benefits, and incentives for employees and faculty such as opportunity for further study, research incentives, and support for paper presentation
<p>Subsidiary: iPeople</p> <p>Research and development</p>	<p>Innovation and research that contributes to knowledge and/or contributes to an improved quality of life for</p>	<ol style="list-style-type: none"> Cost of Research and Development (overspending) 	<ol style="list-style-type: none"> Develop commercially viable projects, those that are “useful to society”, and those

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	Filipinos. 		that may solve problems of communities or provide solutions to industries; Partner with government agencies (DOST) for funding of R&D projects.
Subsidiary: ATYC, Inc. Property Management Services / Leasing	<ol style="list-style-type: none"> Sustainable Buildings Decent work and economic growth - creating job opportunities Responsible consumption and production – adoption of sustainable practices as energy-efficient buildings, waste reduction and recycling, and water conservation 	<ol style="list-style-type: none"> Environmental degradation through the construction, operation, and maintenance of buildings Increased energy consumption Waste generation 	<ol style="list-style-type: none"> Adoption of responsible and ethical property management and leasing practices. Maintain environmentally sustainable operations. Establish monitoring and reporting mechanisms to assess and report on social, economic, and environmental performance and take corrective actions as needed. Compliance with regulatory requirements
Subsidiary: Landev Corporation, RCBC Realty Corporation, Grepa Realty Holdings Corporation Property Management Services / Leasing	<ol style="list-style-type: none"> Sustainable Buildings Affordable and clean energy – promotion of sustainable energy practices by endorsing use of renewable energy sources in managed properties like solar panels and energy-efficient lighting Gender equality – promotion of gender equality in the real estate industry by ensuring fair and equal 	<ol style="list-style-type: none"> Environmental and social disaster Owner may not always prioritize environmental sustainability due to budget constraints Generation of hazardous waste Energy inefficiency 	<ol style="list-style-type: none"> Trainings on and compliance with all mandatory and regulatory requirements and industry-related updates developments Implementing environmentally-friendly practices in property management, like energy and water conservation, waste reduction, and

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>treatment of all genders in property management practices</p>   		<p>sustainable purchasing</p> <p>3. Engaging with stakeholders, understanding their needs and concerns, and incorporating their feedback into property management decisions</p>
<p>Subsidiary: Hi-Eisai Specialty Medicines</p>	<p>1. Health and well being 2. Support Patient Access Programs 3. Life preservation thru anti- cancer drugs 4. Promote quality of life</p> 	<p>1. Potential product recall due to gaps in product development. 2. Health risk on drug disposal and destruction</p>	<p>1. Strengthen quality control. 2. Compliance to proper drug disposal and destruction</p>
<p>Subsidiary: PERC Renewable Energy</p>	<p>7.2 Increase in global percentage of renewable energy 7.B Expand and upgrade energy services for developing countries</p> 	<p>1. Land use changes 2. Potential impacts to biodiversity 3. Competition with local community for freshwater sources</p>	<p>1. Environmental Impact Assessment (EIA) for project sites 2. Site rehabilitation and protection through bioengineering measures 3. Partnership with PAMB, LGUs, NGOs, local community, and other stakeholders for biodiversity protection 4. Controlled usage of freshwater</p>
<p>Subsidiary: HI Cars, Inc. Seller of Vehicle and Vehicle Parts and Accessories</p>	<p>1. Provide self-employment / livelihood 2. Provide convenience to the commuting public when owning a car</p>	<p>1. Carbon footprint emission 2. Traffic congestion due to increased number of vehicles. Negative impact to environment of</p>	<p>1. Hybrid automotive units 2. Promote extended warranty to 5 years. 3. Provide service to keep the vehicles in</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	  	emission of additional vehicles on the roads.	good condition to reduce emission.
<p>Subsidiary: HI Cars, Inc.</p> <p>Provider of Automotive Services</p>	<ol style="list-style-type: none"> 1. Health and well-being - by providing regular maintenance services, safety inspections, and repairs for vehicles, ensuring safety and roadworthiness 2. Reduce negative impact to environmental by reducing emissions caused by poorly maintained vehicles 3. Responsible consumption and production - promoting responsible consumption by awareness campaigns, promoting maintenance and repair services to extend the lifespan of vehicles, facilitate responsible disposal and recycling of end-of-life vehicles.  	<ol style="list-style-type: none"> 1. Carbon footprint emission 2. Disposal of hazardous materials, such as used oil, batteries, and tires, servicing and repair activities 3. Air pollution and waste generation 4. Challenges related to labor practices and worker safety 	<ol style="list-style-type: none"> 1. Provide Quality Delivery Service to all customers. 2. Conduct telemarketing and text blasts to all UIO clients for on time PMS check-up. 3. Implement environmental management practices like energy-efficient facilities, waste reduction, and proper disposal of hazardous materials 4. Adoption of fair labor practices, safe working conditions 5. Digitization for operational efficiency

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
			

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*



Form Information

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Period Covered

December 31, 2025



Sharon Fabi <hisofabi@gmail.com>

SEC eFast Initial Acceptance

noreply-cifssost@sec.gov.ph <noreply-cifssost@sec.gov.ph>

Mon, May 4, 2026 at 7:58 PM

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This serves as a temporary receipt of your submission, subject to verification of the form and the quality of the image of the submitted report.

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Company Name: HOUSE OF INVESTMENTS, INC.
Document Code: AFS

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Thank you.

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