COVER SHEET

1	5	3	9	3						

S.E.C. Registration Number

HOUSE OF INVESTMENTS INC.

(Company's Full Name)

9/FLOOR GREPALIFE BUILDING 221

SEN. GIL PUYAT AVENUE MAKATI

(Business Address: No. Street City/ Town/ Province)

Atty. Lalaine P. Monserate	8815-9636
Contact Person	Company Telephone Number

1 2	3 1	**SEC FORM 20 - IS (PRELIMINARY)**	0 8	1 4
Month	Day	FORM TYPE	Month	Day
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. Of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes

HOUSE OF INVESTMENTS

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the Annual Stockholders' Meeting of **HOUSE OF INVESTMENTS, INC.** will be held on **Friday, August 14, 2026** at **4:00 P. M.,** with proceedings livestreamed and voting conducted via remote communication or *in absentia* through the Company's secure online voting facility.

1. Call to Order
2. Proof of Notice and Certification of a Quorum
3. Approval of the Minutes of the Annual Meeting of the Stockholders held on August 8, 2025
4. Approval of the Management Report and Audited Financial Statements for 2025
5. Approval of the Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company
6. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company
7. Election of Directors for 2026-2027
8. Appointment of External Auditor
9. Such other business that may properly come before the meeting
10. Adjournment

Only stockholders of record at close of business on **July 15, 2026** shall be entitled to vote at said meeting or any adjournment thereof.

Pursuant to the alternative mode of distributing and providing copies of the notice of the Annual Stockholders' Meeting as provided for in the Securities and Exchange Commission's NOTICE dated March 11, 2026, this notice to Stockholders shall be published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days beginning July 15, 2026. Electronic copies of the Information Statement, Management Report, SEC Form 17-A and other pertinent documents will be made available on the (a) Company's website (www.hoi.com.ph) and (b) PSE Edge.

Stockholders may only attend and participate in the meeting by remote communication and vote only by proxy or remotely *in absentia*. Stockholders who wish to attend and participate in the meeting by remote communication shall inform and notify the Company by email at hi_asm@hoi.com.ph, on or before August 4, 2026. The link to the live webcast of the meeting shall be sent to the email address of the registered stockholder.

For voting via Proxy, duly accomplished proxies shall be submitted by email to the Office of the Corporate Secretary at hi_asm@hoi.com.ph, for inspection, validation, and recording at least ten (10) days before the Annual Stockholders' Meeting or on or before August 4, 2026. Proxies received thereafter shall not be recognized for the meeting. The validation of ballots and proxies shall be held on August 5, 2026, 3:00 P.M., at House of Investments, Inc.'s office at the 27th Floor The Yuchengco Centre Building 333 Sen. Gil J. Puyat Avenue Makati City.

The details of the procedures for attending and participating in the meeting through remote communication, casting of votes and the proxy form format are set forth in the Information Statement.

The Company shall record the Annual Stockholders' Meeting and post the same in its website.

Makati City, June 1, 2026.

SAMUEL V. TORRES
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

The following are the rules of conduct and procedures for the meeting:

1. Stockholders may attend and participate in the meeting by remote communication. Stockholders who intend to attend and participate by remote communication shall inform the Company via email at hi_asm@hoi.com.ph, on or before August 4, 2026. After verification of the email request, the link to the live webcast of the meeting shall be sent to the indicated email address of the registered stockholder.

2. Stockholders may vote by appointing a proxy. Stockholders voting by proxy shall email the duly accomplished proxies for examination, validation and recording at least ten (10) days before the Annual Stockholders' Meeting, or on or before August 4, 2026 to the Office of the Corporate Secretary at hi_asm@hoi.com.ph.

3. Pursuant to Sections 57 and 23 of the Revised Corporation Code, which allow for voting by remote communication or *in absentia* by the stockholders, the Company has set up a registration and voting mechanism. Stockholders may cast their votes electronically at the time provided for in the notice and mechanism, as detailed in the attachments to the Information Statement, Annex A and Annex B. A stockholder who votes by remote communication or in absentia shall be deemed present for purposes of quorum.

4. The items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the outstanding voting stock, voting through a proxy or voting electronically in absentia, except for the proposed approval of the Amendment to Article Third of the Articles of Incorporation, which requires the affirmative vote of stockholders representing at least 2/3 of the outstanding capital stock

5. Each of the proposed resolutions or items in the Agenda will be shown on the screen as the same is taken up at the meeting.

6. Election of directors
7. will be by plurality of votes and every stockholder will be entitled to cumulate his/her/its votes.

8. The Company's stock transfer agent will tabulate, verify and validate all votes received.

9. The Corporate Secretary shall report the results of voting during the meeting.

10. Stockholders may email to hi_asm@hoi.com.ph relevant questions or comments to matters to be taken up, on or before the time of the meeting. Stockholders are advised to send questions early to be assured that these will be taken up in time.

11. A link to the recorded webcast of the meeting will be posted on the Company's website after the meeting.

Call to Order

The Chairperson will formally open the meeting at 4:00 in the afternoon.

Certification of Notice and Quorum (& Rules of Conduct and Procedures)

The Corporate Secretary will certify that written notice for the meeting was duly published in the business section of two (2) newspapers of general circulation, in print and online format, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Approval of Minutes of the Annual Stockholders' Meeting held on August 8, 2025

The minutes of the Annual Stockholders' Meeting held on August 8, 2025is posted on the Company's website, at https://hoi.com.ph/pdf/2025-minutes-of-the-annual-stockholders-meeting/. A copy of the minutes is also attached to the Information Statement. A resolution approving the minutes will be presented to the stockholders for approval.

Approval of the Management Report and Audited Financial Statements for 2025

The President and Chief Executive Officer of the Company, Mr. Lorenzo V. Tan, will deliver a report to the stockholders on the performance of the Company in 2025 and the outlook for 2026. The audited financial statements as of December 31, 2025 will be included in the Information Statement. A resolution noting the report and approving the 2025 audited financial statements will be presented to the stockholders for approval.

Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company

Article No.	FROM	TO
Article Third	That the PLACE where the principal office of the Corporation is to be established or located is at 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.	That the PLACE where the principal office of the Corporation is to be established or located is at 27th Floor, The Yuchengco Centre, 333 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila, Philippines.

A resolution approving the amendment will be presented to the stockholders for approval.

Approval of the 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 the date of the last Annual Stockholders' Meeting until the date of this meeting.

The acts and resolutions of the Board of Directors, all Committees and Management of the Company for ratification were those adopted from August 8, 2025 until August 14, 2026. They include: a) opening/closing of bank accounts and delegation of bank signatories; b) approval of credit lines; c) appointment/promotion of officers; d) approval of Sustainability Report and Integrated Annual Corporate Governance Report, e) declaration of cash dividends; f) approval of the Definitive Terms of the Definitive Agreement for the joint venture with Aboitiz InfraCapital, Inc. (AIC) through its subsidiary Tarlac Terra Ventures, Inc., and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those taken to implement the resolutions of the Board of Directors or its Committees and those taken in the general conduct of business. A resolution on this agenda item will be presented to the stockholders for approval.

Election of Directors for 2026 - 2027

Any stockholder may submit to the Corporate Secretary or the Corporate Governance, Nomination and Related Party Transactions Committee nominations to the Board of Directors no later than May 14, 2026. The Corporate Governance, Nomination and Related Party Transactions Committee will determine whether the nominees for Directors, including the nominees for Independent Directors, have all the qualifications and none of the disqualifications to serve as members of the Board of Directors before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board will be included in the Information Statement. Furthermore, the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 7 (Series of 2026).

Appointment of External Auditor

The Audit Committee shall endorse to the stockholders the appointment of an external auditor for the ensuing year. The profile of the external auditor will be included in the Information Statement.

A resolution for the appointment of the external auditor will be presented to the stockholders for approval.

Such other business that may properly come before the meeting

The Chairperson will open the floor for comments and questions from the stockholders. Stockholders may raise matters or issues that may be properly taken up at the meeting.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [√] Preliminary Information Statement   [.] Definitive Information Statement

2. Name of Registrant as specified in its charter **House of Investments, Inc.**

3. **Makati City, Metro Manila, Philippines**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **15393**

5. BIR Tax Identification Code **000-463-069-000**

6. **9F, Grepalife Bldg., 221 Sen. Gil J. Puyat Ave., Makati City, Metro Manila, Phil. 1200**
   Address of principal office   Postal Code

7. Registrant's telephone number, including area code **(632) 8815-9636 to 38**

8. Date, Time and place of the meeting of security holders
   August 14, 2026, 4:00 P.M., with proceedings livestreamed and voting conducted via remote communication or in absentia through the Company's secure online voting facility.

9. Approximate date on which the Information Statement is first to be sent or given to security holders. **July 17, 2026**

10. ***In case of Proxy Solicitations***:

    Name of Person Filing the Statement/Solicitor: Atty. Samuel V. Torres
    Address: House of Investments, Inc., 9/F Grepalife Building, 221 Sen. Gil Puyat Avenue, Makati City, Metro Manila
    Telephone No.: 8815-96-36
    Email address: hi_asm@hoi.com.ph

11. Securities registered pursuant to Sections 8 and 12 of the Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares Outstanding
Common, P1.50 par value	1,469,302,230

    Total Debt Outstanding as of March 31, 2025: No debt registered. No debt registered pursuant to Section 4 and 8 of the RSA

12. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes (√) No _____   **Common Stocks**

    The **common stock** of the Corporation is listed on the **Philippine Stock Exchange, Inc.**

TABLE OF CONTENTS	
SECTIONS	**Page #**

PART 1
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1: Date, Time and Place of Meeting of Security Holders:

Date of meeting	:	**August 14, 2026**
Time of meeting	:	**4:00 pm**
Place of meeting	:	**Virtually with the proceedings livestreamed and voting conducted by proxy or *in absentia***
Approximate mailing date of this statement	:	**July 17, 2026**
Registrant's mailing address	:	**3/F, Grepalife Building 221 Sen. Gil J. Puyat Avenue Makati City, Metro Manila, Philippines**

There will be no physical venue for the meeting. It will instead be held virtually. The link to the meeting will be provided to stockholders of record who register to confirm their attendance. Actual proceedings shall be livestreamed, and voting will be conducted by proxy or through remote communication or in absentia. Pursuant to the alternative mode of distributing and providing copies of the notice of the Annual Stockholders' Meeting as provided for in the Securities and Exchange Commission's NOTICE dated March 11, 2026, the notice to Stockholders shall be published in the business section of two (2) newspapers of general circulation, in print and online format, for two (2) consecutive days beginning July 15, 2026. Electronic copies of the Information Statement, Management Report, SEC Form 17-A and other pertinent documents will be made available on the (a) Company's website and (b) PSE Edge.

Voting by proxy or through remote communication or *in absentia* shall be adopted. In all items for approval, each voting share entitles its registered owner as of Record Date to one (1) vote.

In the case of the election of Directors, each shareholder may vote such number of shares for as many persons as there are directors to be elected or he may accumulate the aforesaid shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many nominees as he shall see fit; provided that, the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.

All votes submitted through proxy or voting by remote communication or *in absentia*, within the period indicated in the Notice will be counted and tabulated by the Office of the Corporate Secretary and the results will be validated by the RCBC Trust Corporation Stock Transfer Processing Office.

Item 2: Dissenters' Right of Appraisal

Pursuant to Title X, Section 80 of the Revised Corporation Code of the Philippines (the "Revised Corporation Code"), a stockholder shall have the right to dissent and demand payment of the fair value of his/her shares in the following instances:

a. In case an amendment to the Corporation's articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
c. In case of merger or consolidation; and
d. In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder who shall have voted against a proposed corporate action may seek payment of the value of his/her shares by submitting to the Corporation a written demand for such payment within thirty (30) days after the vote was taken. Failure to make such demand within the said period shall be deemed as a waiver of the stockholder's appraisal right. The failure of a dissenting stockholder to submit his/her certificates of stock with the Corporation (for notation that such are dissenting shares) within ten (10) days after the required written demand has been made shall also be deemed as a waiver of the dissenting stockholder's appraisal right.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the dissenting stockholder and the Corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after the same is made.

Upon payment of the value of his/her shares, the dissenting stockholder shall forthwith transfer his shares to the Corporation. However, no payment shall be made to any dissenting stockholder unless the Corporation has retained earnings in its books to cover such payment.

A dissenting stockholder's demand for payment may not be withdrawn unless the Corporation consents thereto. If, however, such demand is withdrawn with the Corporation's consent, or if the proposed corporate action is abandoned, rescinded or disapproved, or if it is determined that the stockholder is not entitled to the appraisal right, then the right of the stockholder to be paid the fair value of his/her shares shall cease, the status of the stockholder shall be restored, and all dividends which would have accrued on the shares shall be paid to the stockholder.

There are no corporate matters in the Agenda for the annual meeting that will entitle dissenting stockholders to exercise their right of appraisal as provided in the Title X of the Revised Corporation Code.

Item 3: Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a) No current director or officer of the Company, or nominee, for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.

b) No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4: Voting Securities and Principal Holders Thereof

(a) Class of Voting shares as of May 26, 2026:

Common Stocks 1,469,302,230 shares

Each common share of the Company’s capital stock is entitled to one (1) vote at the Annual Stockholders’ Meeting.

(b) Record Date: July 15, 2026

Only stockholders of record at the close of business on **July 15, 2026** are entitled to vote at the meeting either in person or by proxy.

(c) Election of Directors and Cumulative Voting Rights

In all items for approval except election of directors, each share of stock entitles its registered owner to one (1) vote.

In case of election of Directors, each stockholder may vote the number of shares of stock standing in his own name as of the record date of the meeting for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit; Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

Security Ownership of Certain Beneficial Owners and Management

1. Owners of more than 5% of voting securities 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 *Principal Stockholder*	**Ms. Helen Y. Dee** *Chairperson* 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 *Principal Stockholder*	**Ms. Helen Y. Dee** *President* 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** *President*	Filipino	264,730,363**	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.

2. Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of May 26, 2026 according to the records of its stock and transfer agent, Rizal Commercial Banking Corp. (RCBC):

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Ms. Helen Y. Dee	Filipino	Direct Indirect	1,125,345 871,780	0.0766% 0.0593%
Mr. Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Ms. Yvonne S Yuchengco	Filipino	Direct	45	0.0000%
Mr. Medel T. Nera	Filipino	Direct	5	0.0000%
Mr. Gilbert F. Santa Maria	Filipino	Direct	5	0.0000%
Mr. Eugene S. Acevedo**	Filipino	Direct	5	0.0000%
Mr. John Mark S. Frondoso*	Filipino	Direct	5	0.0000%
Mr. Francisco H. Licuanan III*	Filipino	Direct	500	0.0001%
Mr. Carlos G. Dominguez*	Filipino	Direct	5	0.0000%
Dr. Roberto F. de Ocampo*	Filipino	Direct	5	0.0000%
Mr. Juan B. Santos*	Filipino	Direct	5	0.0000%
Mr. Gregorio T. Yu	Filipino	Direct	5	0.0000%
Mr. Gabriel S. Claudio **	Filipino	Direct	1	0.0000%

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Mr. Omar Bryan T. Mier**	Filipino	Direct	1	0.0000%
Mr. Rafael L. Camus**	Filipino	Direct	1	0.0000%
Mr. Alfredo S. Panlilio**	Filipino	Direct	1	0.0000%
Sub-Total			**1,997,718**	**0.1460%**
Total Common Shares			**1,469,302,230**	**100%**

None of the officers have direct or indirect shares other than those mentioned above.
* Will not stand for re-election
** Nominee for election

Changes in Control
There had been no change in control in the Company that had occurred since the beginning of last year.

Voting Trust Holders of 5% And More
There are no shareholdings holding any Voting Trust Agreement or any such similar agreement.

Ownership of Foreigners Per Class
As of March 31, 2026, there are 15,851,272 shares or 1.08% of the common stock that are held by foreigners.

Item 5: Directors and Executive Officers

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	9 Years as Director 7 Years President & CEO
Mr. Medel T. Nera	Director	14 Years
Ms. Yvonne S Yuchengco	Director	24 Years
Mr. Gilbert F. Santa Maria	Director	1 year
Mr. Eugene S. Acevedo**	Nominee	N/A

INDEPENDENT DIRECTORS		
Name	**Position**	**Length of Service**
Dr. Roberto F. de Ocampo*	Director	24 Years
Carlos G. Dominguez*	Director	2 Years
Mr. John Mark Frondoso*	Director	9 Years
Mr. Francisco H. Licuanan III*	Director	20 Years
Mr. Juan B. Santos*	Director	11 Years
Mr. Gregorio T. Yu	Director	2 Year
Mr. Gabriel S. Claudio **	Nominee	N/A
Mr. Omar Bryan T. Mier**	Nominee	N/A
Mr. Rafael L. Camus**	Nominee	N/A
Mr. Alfredo S. Panlilio**	Nominee	N/A

* Will not stand for re-election
** Nominee for election

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

EXECUTIVE OFFICERS			
Name	**Position**	**Age**	**Citizenship**
Mr. Juan Felipe Alfonso	EVP – Business Development & Strategy	55	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. 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. Sonia P. Villegas	FVP – Human Resources and Admin	57	Filipino
Ms. Chona B. Cacho-Retulla	VP – IT Audit Cluster	42	Filipino
Atty. Lalaine P. Monserate	VP – Legal & Compliance Officer	62	Filipino
Mr. Gerard G. Magadia	VP – GM, Procurement Shared Services	54	Filipino
Mr. Charles A. Rosario	VP – IT Operations	53	Filipino
Ms. Liwliwa Grace D. Valencia	VP – HR Strategic	53	Filipino
Mr. Alexis Nikolai S. Diesmos	VP – Property	50	Filipino
Atty. Samuel V. Torres	Corporate Secretary	61	Filipino
Atty. Ma. Elvira Bernadette G. Gonzalez	Asst. Corporate Secretary	48	Filipino

POSITION AND BACKGROUND WITHIN THE LAST 5 YEARS

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., and Alphaland Corporation; **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 PTFC 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 Ibex 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 form 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.

OMAR BYRON T. MIER, 79, Filipino, is a nominee for **Independent Director.** ***Past Experience***: **He was** previously **President** of the Philippine National Bank, serving for two terms; **Director and approving Credit Officer** of the Executive and Credit Committees; **Chairman** of Legaspi Savings Bank; **Independent Director** and **Chairman** of the Audit Committees of both Robinson's Land Corporation and Pay Maya Phils. Inc. ***Educational Background*****:** Bachelor of Science degree in Business Administration, major in Accounting, Bachelor of Arts in Economics, Master of Arts in Economics (no thesis) all from the University of the Philippines

ALFREDO S. PANLILIO, 62, Filipino, is a nominee for **Independent Director**. Presently, he is a **Member** of the Board of Directors of PLDT, Inc. and Smart Communications, Inc. Past Experience: **Senior Vice President** and **Head** of Customer & Retail Services, Manila Electric Company; **President and CEO** of PLDT Global Corp. ***Educational Background:*** MBA J.L Kellogg School of Management at Northwestern University, Bachelor of Science in Business Administration from California State University-San Francisco State University.

DR. EUGENE S. ACEVEDO, 62, Filipino, is a nominee for **Director** and is the **Advisory Dean** and **Professor in Practice** at the Mapúa E.T. Yuchengco School of Business; **Executive in Residence** of the Asian Institute of Management; **Member** of the Board of Directors of Cebu Landmasters, Inc.; **Member** of the Board of Trustees of University of San Carlos, ***Past Experiences***: **Vice Chairman** of the Asian Institute of Management; **Chairman** of the Asian Bankers Association; **Chairman** of City Savings Bank and concurrently served as **Chairman** of five thrift/rural bank and remittance company subsidiaries; **President** of Philippine National Bank. He is also an accomplished author of several books. ***Educational Background:*** Doctor of Business Administration, Asian Institute of Management; Doctor of Philosophy from Southeast Asia Interdisciplinary Development Institute-SAIDI Graduate School of OD and Planning; Advanced Management Program, Harvard Business School; Bachelor of Science in Physics, magna cum laude

GABRIEL S. CLADIO, 71, Filipino, is a nominee for **Independent Director** and is currently a **Member** of the Board of Directors of Toby's Sports Foundation, Risks and Opportunities Assessment Management, Ginebra San Miguel, **Past Experiences: Member** of the Board of Directors of RCBC; **Member** of the Board of Directors of the Philippine Amusement and Gaming Corporation (PAGCOR); **Chairman** of the Board of Trustees, Manila Waterworks and Sewerage System, **Member** of the Board of Directors of the Development Bank of the Philippines; ***Educational Background:*** AB Communication Arts, Ateneo de Manila University

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 Atenao Graduate School of Business, Makati, and Bachelor of Science in Commerce Major in Accounting (Cum Laude) from University of Sto. Tomas, Manila, Philippines.

JUAN F. ALFONSO, 55, Filipino, is the **Executive Vice President – Business Development and Strategy** and is a **Board Member** of the Ateneo Research Institute for Science and Engineering (ARISE). ***His past experiences include***: **MRT 3 Project Head** for the Metro Pacific Investments Corporation-Sumitomo Corporation Consortium; **President and Chief Executive Officer** of the Ligh Rail Manila Corporation; **Chief Operating Officer** of Aseagas Corporation and **Senior Vice President** for AP Renewables, Inc. both wholly-owned subsidiaries of Aboitiz Power; **President and General Manager** of Chemoil Energy Philippines, Inc. He also served as the **Chairman** of the Harvard Business School Club of the Philippines ***Educational Background:*** Advanced Management Program at the Harvard Business School; Master of Business Administration (MBA) Cum Laude from F.W. Olin Graduate School of Business, Babson College; Bachelor of Science in Management from Ateneo de Manila University.

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.

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., Tarlac Terra Ventures, Inc., and Blackhounds Security & Investigation Agency, Inc.; and a **Director** in Manila Memorial Park Cemetery, Inc., La Funeraria Paz-Sucat, 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: *Certificates in CFO Leadership Development Program and Corporate Innovation System Strategy and Design Program from Asian Institute of Management (AIM) and* Bachelor of Science in Commerce, Major in Accounting, from St. Paul College, Philippines.

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.

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.

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.

LALAINE 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.

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).

ALEXIS NIKOLIA S.DIESMOS, Filipino, 50, is the **Vice President** for Property. He joined the House of Investments in May. ***Past Experiences:*** He has over 19 years of experience in project development, design, cost, construction, and operations management in the real estate industry. His past experiences within the last five years include serving as **Area Project Head** of Rockwell Land Corporation, overseeing projects such as Rockwell Cebu (Aruga Resorts & Residences, Rockwell IPI Center, and 32 Sanson-Sillion Tower), and as **Project Head** for Rockwell South at Carmelray**.** ***Educational Background:*** Diploma/Short Course Certificate in Interior Design from the Philippine School of Interior Design (PSID) and Bachelor's Degree in Architecture from the University of Santo Tomas.

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.

Nominations for Independent Directors and Procedures for Nomination

Following rules and procedures shall apply to the nomination and election of Independent Directors.

a) The Board shall have at least three (3) independent directors or such number as to constitute one-third (1/3) of the Board, whichever is higher. An independent director is one who is independent of management and free from business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as director, and must possess all of the qualifications, and none of the disqualifications as prescribed by the Bangko Sentral Ng Pilipinas, Securities and Exchange Commission and other regulatory authorities, from time to time.
b) The Corporate Governance, Nomination, and Related Party Transactions Committee composed of three (3) members shall promulgate the guidelines or criteria to govern the conduct of the nominations:
c) Nomination of independent director shall be conducted by the Corporate Governance, Nomination and Related Party Transactions Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
d) The Corporate Governance, Nomination, and Related Party Transactions Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors;
e) After the nomination, the Corporate Governance, Nomination, and Related Party Transactions Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee;
f) Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
g) Election of Independent Directors
    - Subject to pertinent existing rules and regulation of SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures of the By-laws.
    - It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.

- Specific slots for independent directors shall not be filled up by unqualified nominees.

In case of failure of elections for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The following were nominated to the position of directors of the Company for the year 2026-2027:

Regular Directors

1) Ms. Helen Y. Dee
2) Mr. Lorenzo V. Tan
3) Ms. Yvonne S. Yuchengco
4) Mr. Medel T. Nera
5) Mr. Gilbert F. Santa Maria
6) Eugene S. Acevedo

Independent Directors

1) Gregorio T. Yu
2) Gabriel S. Claudio
3) Omar Bryan T. Mier
4) Rafael L. Camus
5) Alfredo S. Panlilio

Mrs. Eliadah Neiel Dela Rama, a stockholder of the Company, who is not in any way related to the nominees, nominated Messrs. Eugene S. Acevedo, Gregorio T. Yu, Gabriel S. Caludio, Rafael l. Camus, Alfredo S. Panlilio, Omer Bryan T. Mier, and Gregorio T. Yu as independent directors.

The Corporate Governance, Nominations, and Related Party Transactions Committee reviews and evaluates the qualifications of all persons nominated as director as well as those to be nominated to other positions requiring appointment by the Board of Directors. With respect to the nominees for independent directors, **they are neither officers nor employees, consultants or retainers, legal or otherwise, of the Company or any of its affiliates, and do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.** Their nomination and qualification by the Corporate Governance, Nominations, and Related Party Transactions Committee were in compliance with the Company's By-Laws, Manual of Corporate Governance, and SRC Rule 38. The directors so nominated possess all the qualifications and none of the disqualifications for independent directors. (Attached as Annex 1 are the Certifications of Independent Directors)

Period in Which the Directors and Executive Officers Should Serve

The Directors of the Company 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. In compliance with SEC Memorandum No. 7 dated January 26, 2026, all Independent Directors shall serve a maximum cumulative term limit of nine (9) years from the reckoning year of 2012.

Officers are appointed or elected annually by the Board of Directors at its first Organizational 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.

The attendance report indicating the attendance of each director or trustee at each of the meetings of the board and its committees and in regular or special stockholder meetings is listed below under Item 6.

Terms of Office of a Director

Pursuant to the Company By-Laws, the directors who shall be stockholders are elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors. The composition of the members of the Company's various committees for 2025-2026 are as follows:

Committee Membership of Directors

Executive Committee

Helen Y. Dee	Chairman
Lorenzo V. Tan	Member
Juan B. Santos	Member and Lead Independent Director
Carlos G. Dominguez	Member
Medel T. Nera	Member

Remuneration Committee

Juan B. Santos	Chairman
Carlos G. Dominguez	Member
Yvonne S. Yuchengco	Member

Audit Committee

Roberto F. de Ocampo	Chairman
Juan B. Santos	Member
Medel T. Nera	Member

Board Risk Oversight Committee

Juan B. Santos	Chairman
Gregorio T. Yu	Member
Gilbert F. Santa Maria	Member

Corporate Governance, Nomination and Related Party Transactions Committee

John Mark S. Frondoso	Chairman
Roberto F. De Ocampo	Member
Francisco H. Licuanan	Member

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 HI 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 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 Employees

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 Relationships

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.

Interest on Certain Matters to be Acted Upon

No director or officer of the Company has substantial interest, direct or indirect, in any matter to be acted upon in the meeting.

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.

Related parties include entities under common control, which pertains to other subsidiaries of PMMIC, which is the Group’s ultimate parent company. This would include shared costs, dividends, and management fees among others.

Please refer to Note 29 of the audited 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.

Involvement in Legal Proceedings

The Company is not aware and none of the directors and officers or persons nominated to become directors or officers has informed the Company of the following events during the past five years until 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 6: Compensation of Directors and Executive Officers

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:	2026	P65.6 M (est)	P0	P0
	2025	P57.5 M	P0	P0
1. Lorenzo V. Tan, President & CEO	2024	P44.0 M	P0	P0

NAME AND POSITION	YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION
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				
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)
	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.

The company had a total of six board meetings in 2025 and the attendances of each directors are as per the table below.

Directors	Present	Absences
Helen Y. Dee	5	0
Lorenzo V. Tan	5	0
Medel T. Nera	5	0
Yvonne S. Yuchengco	5	0
Juan B. Santos	4	1
John Mark S. Frondoso	5	0
Roberto F. De Ocampo	4	1
Francisco H. Licuanan	5	0
Carlos G. Dominguez	3	2
Gregorio T. Yu**	5	0

<u>Attendance to Board Committee Meetings:</u>

Executive Committee

Directors	Present	Absences
Helen Y. Dee	1	0
Lorenzo V. Tan	1	0
Medel T. Nera	1	0

Remuneration Committee

Directors	Present	Absences
Yvonne S. Yuchengco	0	1
Juan B. Santos	1	0
Carlos G. Dominguez	1	0

Audit Committee

Directors	Present	Absences
Robert F. de Ocampo	4	0
Juan B. Santos	3	1
Medel T. Nera	4	0

Board Risk Oversight Committee

Directors	Present	Absences
Juan B. Santos	4	0
Gregorio T. Yu*	3	1
Gilbert F. Santa Maria	3	0

* Represents Board Committee meetings held in 2024 and during the incumbency of the director.

Corporate Governance, Nomination and Related Party Transaction Committee

Directors	Present	Absences
John Mark S. Frondoso	3	1
Francisco H. Licuanan	4	0
Roberto F. de Ocampo	4	0

There is no stock warrant and no stock option entitlement for Directors and Executive Officers. There is no provision in current executive employment contracts as to "change in control arrangements".

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

Item 7: Independent Public Accountants

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 YE 2025 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 17,750,777
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.

Item 8: Compensation Plans
No action shall be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9: Authorization or Issuance of Securities Other than for Exchange
No action is to be taken with respect to authorization or issuance of securities other than for exchange.

Item 10. Modification or Exchange of Securities
No action is to be taken with respect to the modification of any class of securities of the registrant.

Item 11: Financial and Other Information
The audited financial statements as of December 31, 2025, Management Discussion and Analysis, Market Price of Shares and Dividends and other date related to the Company's financial information is attached hereto as **"Annex C"**

Item 12: Mergers, Consolidations, Acquisitions and Similar Matters
No action is to be taken with respect to any transaction involving the following:
1. the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;
2. the acquisition by the registrant or any of its security holders of securities of another person;
3. the acquisition by the registrant of any other going business or of the assets thereof;
4. the sale or other transfer of all or any substantial part of the assets of the registrant; or
5. the liquidation or dissolution of the registrant.

Item 13: Acquisition or Disposition of Property
No action is to be taken with respect to the acquisition or disposition of any property.

Item 14: Restatement of Accounts
No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the registrant.

D. OTHER MATTERS

Item 15: Action With Regard to Reports

The Minutes of the previous stockholders meeting held on August 8, 2025 and the Management Report as set forth in the Annual Report will be submitted for stockholders approval.

The voting procedure utilized for election and approval of corporate actions in which Stockholders' approval were required was by remotely or in absentia and by proxy. The stockholders present remotely or in absentia and by proxy are represented by 1,309,468,272 common shares or 88.902% of the total outstanding shares entitled to vote.

The stockholders were given the opportunity to ask questions by submitting their questions electronically to the Company before the meeting and also before the meeting was adjourned. There were no questions submitted before, nor were asked during, the said meeting.

The following matters were discussed and approved with no further comments or objections during the meeting:

1. Approval of the August 9, 2024 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) 2023 annual report and audited financial statements, (b) ratification of the actions of the Board of Directors, different Committees and Management during the year in review, (c) election of directors, and (d) appointment of external auditors.

2. Approval of the 2024 Management and Annual Report constitutes a ratification of the Company's performance during the previous calendar years as contained in the Annual Report.

3. Ratification and confirmation of all the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and officers of the Company from August 9, 2024 until August 8, 2025. They include: a) opening/closing of bank accounts and delegation of bank signatories; b) approval of credit lines; c) appointment/promotion of officers; d) approval of Sustainability Report and Integrated Annual Corporate Governance Report, and other matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange. The acts of Management were those taken to implement the resolutions of the Board of Directors or its Committees and those taken in the general conduct of business. A resolution on this agenda item will be presented to the stockholders for approval.

4. Election of Directors for 2025-2026.

5. Re-appointment of Sycip Gores Velayo & Co. as external auditor of the Company for the fiscal year ending 31 December 2025.

The record of the voting results for each of the items listed above form part of the Minutes of the Annual Stockholders' Meeting, which is attached herewith.

The following directors and officers were present at the meeting:

Directors:
1. Mrs. Helen Y. Dee, Chairperson
2. Mr. Lorenzo V. Tan, President
3. Ms. Yvonne S. Yuchengco
4. Mr. Medel T. Nera
5. Mr. Juan B. Santos
6. Mr. John Mark S. Frondoso
7. Gilbert F. Santa Maria
8. Gregorio T. Yu

Officers:
9. Ms. Gema O. Cheng, EVP-COO,CFO, and Treasurer
10. Mr. Reynaldo Vea, Seconded to iPeople as Chairman & CEO and Senior Advisor to the President of Mapua
11. Mr. Alexander Anthony G. Galang, FSVP-Internal Audit
12. Ms. Mary Anne R. Narvaez, SVP-Deputy CFO
13. Dr. Ruth C. Francisco, SVP-Chief Risk Officer
14. Mr. Joselito D. Estrella, SVP-Chief Information Officer
15. Ms. Ma. Esperanza F. Joven, FVP-Finance
16. Ms. Maria Elisa E. de Lara, FVP-Internal Audit
17. Ms. Maria Teresa T. Bautista, FVP-Controller
18. Ms. Sonia P. Villegas, FVP-Human Resources & Admin.
19. Mr. Glenson K. Lim, VP-Property
20. Ms. Chona Castro, VP-Internal Audit
21. Atty. Lalaine P. Monserate, VP-Legal and Compliance Officer
22. Mr. Jonathan M. Lopez, Vice President Seconded to iPeople, Inc. as VP – Controller

23. Mr. Narciso A. Laput, Vice President Seconded to iPeople, Inc. as VP – IT Head
24. Ms. Aileen Kate A. Papas, Vice President Seconded to MMCL as CFO
25. Mr. Jerik T. Balisi, Vice President Seconded to MMPCI as Deputy Chief Finance Officer
26. Mr. Robert Joseph G. Villa, Vice President Seconded to Mapua as VP-Finance Head
27. Ms. Maria Eloisa Celine R. Gan, Vice President Seconded to MMCL as Admin. & Legal Head
28. Atty. Samuel V. Torres, Corporate Secretary
29. Atty. Ma. Elvira Bernadette G. Gonzalez, Asst. Corporate Secretary

The President's Report, which includes the financial performance of the Company form part of the minutes which is attached herewith. Approval of the Audited Financial Statements, which is provided to the stockholders is likewise stated in the minutes. All material information on current stockholders and their voting rights are stated in the Minutes.

Copies of the minutes of the stockholders' meeting were made available on the Company's website together with the Information Statement and were likewise available at the Disclosures Section of the Philippine Stock Exchange (edge.pse.com.ph). Likewise, a recording of the proceedings was made available on the Company's website.

Item 16: Matters Not Required to be Submitted

No action is to be taken with respect to any matter, which is not required to be submitted to a vote of security holders.

Item 17: Amendment of Charter, Bylaws or Other Documents

The amendment of Article Third of the Articles of Incorporation (i.e. PLACE of principal office) will be submitted to a vote of security holders.

FROM	TO
THIRD- That the PLACE where the principal office of the corporation is to be established or located is at 9th Floor, Grepalife Building, 221 Sen. Gil Puyat Avenue, Makati City, Metro Manila, Philippines.	THIRD- That the PLACE where the principal office of the corporation is to be established or located is at **27th Floor, The Yuchengco Centre, 333 Sen. Gil J. Puyat Avenue**, Makati City, Metro Manila, Philippines.

Except for the proposed amendment to Article Third of the Articles of Incorporation relative to the change in on the Company's principal office address, no other amendments to its charter, bylaws or other documents will be made.

Item 18: Other Proposed Action

The following matters will be submitted to a vote at the meeting:

1. Approval of the Minutes of the Annual Stockholders' Meeting held on August 8, 2025.
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2025
3. Approval of the Amendment of Article Third of the Articles of Incorporation to reflect the change in the principal office address of the Company
4. Ratification and confirmation of all acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and Officers of the Company from the last Annual Stockholders' Meeting held on August 8, 2025 up to the date of the 2026 Annual Stockholders' Meeting.
5. Election of Directors for 2026-2027
6. Appointment of External Auditor

Item 19: Voting Procedures

All shareholders who wish to cast their votes may do so via the method provided for voting by remote communication or *in absentia*, or by providing the proxy form provided herein. The procedures for voting *in absentia* shall be provided securely through the emails of the stockholders.

The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the annual stockholders' meeting is required for the approval of the matters presented to the stockholders for resolution, except for the proposed approval of the amendment of Article Third of the Articles of Incorporation, which requires the affirmative vote of stockholders representing at least 2/3 of the outstanding capital stock. The election of directors is by plurality of votes.

At all elections of Directors, each stockholder may vote the shares registered in his/her/its name for as many persons as there are Directors, or he may cumulate said shares and give one candidate as many votes, as the number of Directors to be elected multiplied by the number of his share, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, however, that the whole number of votes cast by him shall not exceed the number of shares owned by him as shown on the Company's stock transfer books multiplied by the number of Directors to be elected.

Please refer to Annex A for the detailed voting procedures.

The Company will not declare stock dividends during the year.

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 leading practices and principles on good corporate governance and appropriate self-rating assessments and performance evaluation to determine and measure its compliance with the 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 submitted its IACGR on May 18, 2026.

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

In its 2018 to 2024 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with the majority of the recommendations specified in the said Report. In 2025, the Company was compliant with all the recommendations.

3. Deviation from the Manual on Corporate Governance

In its 2018 up to 2024 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with the majority of the recommendations specified in the said Report. In 2025, the Company was compliant with all the recommendations. It did not deviate from any recommendation on the Manual on Corporate Governance.

4. Plans to Improve Corporate Governance

In order to improve the performance of the Chairperson, the Board of Directors and its officers, the Company has required them to submit an Annual Self-Assessment Questionnaire which is composed of varying statements on their roles, functions and responsibilities under the Manual on Corporate Governance and the Board of Directors Manual. The Company in 2021 engaged an external or third-party evaluator - GGAPP, to assess the performance of the Chairperson and the Board as well as the Chief Risk Officer, the Chief Audit Executive and the Compliance Officer. This engagement will be done after every three years. Hence, for this year, the Company plans to engage the services of GGAPP to conduct its evaluation. The Company, as required under its Policy on Related Party Transactions, required the annual completion of the Related Party Questionnaire in order to elicit information about any potential or actual related party transactions entered into by the Chairperson, the Board of Directors, the Company and its officers during the year. In addition, the Company also requires them to submit annually an updated Biographical Data containing their personal information, work experience, family relations, and others, to determine their relatives within the third-degree of consanguinity and their related party transactions with the Company, if there is any. The Committee on Corporate Governance, Nominations and Related Party Transactions has been monitoring their submissions.

The Company continuously monitors all relevant PSE and SEC Circulars on Corporate Governance that may be used to improve compliance with the Manual on Corporate Governance.

The Company continues to adhere to the leading practices on good corporate governance as well as its Manual on Corporate Governance by requiring its Chairperson, Directors and Officers to attend the annual seminar/webinars on Corporate Governance conducted by its in-house training provider, regulatory agencies such as the Securities and Exchange Commission (SEC), its accredited service providers, Philippine Stock Exchange (PSE), Anti-Money Laundering Council (AMLC), Data Privacy Commission and others.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH THE STOCKHOLDER WITH A COPY OF THE COMPANY'S YEAR 2025 ANNUAL REPORT ON SEC FORM 17-A, FREE OF CHARGE. ANY WRITTEN REQUEST FOR A COPY OF SEC 17-A SHALL BE ADDRESSED AS FOLLOWS:

House of Investments, Inc.

Attention:	Office of the Corporate Secretary
Address:	9th Floor GPL Building 221 Sen. Gil J. Puyat Avenue Makati City 1200 Philippines
Tel. No.:	(632) 8815-9636
Fax No.:	(632) 8816-1127
E-mail:	hi_asm@hoi.com.ph

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City on June 1, 2026.

House of Investments, Inc.
By:

Atty. Lalaine P. Monserate
Compliance Officer

Atty. Samuel V. Torres
Corporate Secretary

SUBSCRIBED & SWORN TO BEFORE ME THIS JUN 01 2026
AT THE CITY OF MAKATI PHILS

ATTY. BERNARDINO O. LAUTILLO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-028 UNTIL DEC. 31, 2027
ROLL NO. 77752 / MCLE Compliance No. VIII-002331 UNTIL APR. 14, 2028
IBP OR. NO. 583936 JAN. 2, 2026 / MAKATI CHAPTER
PTR No. 10765532 - JAN. 5, 2026
UNIT 2-B2 TRANS-PHIL HOUSE, DON CHINO ROCES AVE., COR.
BAGTIKAN ST., SAN ANTONIO, MAKATI CITY

DOC # 6;
PAGE# 7;
BOOK# 72;
SERIES OF 2026

ANNEX "1"

[attach certifications of independent directors]

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GREGORIO T. YU**, Filipino, of legal age and a resident of No. 10 Francisco Street, Corinthian Gardens, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.** and have been its Independent Director since August 09, 2024.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Inchcape Philippines	Director	August 2023 to present
Nexus Technologies, Inc.	Chairman/Director	May 1, 2012 to present
Philippine Airlines	Director	2024-Present, 2011-2021
MacroAsia Corporation	Director	May 2025 - present
AIA Philippine Life and General Insurance Company, Inc.	Director	April 20, 2023 to present
Filipino Fund, Inc.	Director	May 2024 to present
House of Investments, Inc.	Director	June 2024 to present
Glacier Megafridge, Incorporated	Director	January 28, 2021 to present
Alphaland Corporation	Director	May 1, 2018 to present
APO Agua Insfrastructura, Inc.	Director	January 1, 2014 to present
Glyph Studios, Inc.	Director	December 1, 2011 to present
Philippine Bank of Communications	Director	July 1, 2011 to present
Unistar Credit and Finance Corporation	Director	January 1 2012 to present
Philequity Management, Inc.	Director	August 1, 2013 to present
Vantage Equities, Inc.	Director	August 1, 2013 to present
Vantage Financial Corporation (formerly E-Business Services Inc.)	Director	August 1, 2015 to present
Prople BPO, Inc.	Director	August 1, 2006 to present
Jupiter Systems Inc.	Director	October 1, 2001 to present
Wordtext Systems, Inc.	Director	September 1, 2001 to present
Manila Symphony Orchestra	Board Member	September 9, 2009 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **HOUSE OF INVESTMENTS, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/ Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **HOUSE OF INVESTMENTS, INC.** of any changes in the abovementioned information within five days from its occurrence.

MAY 18 2026

Done this ______ day of April 2026, at Makati City, Metro Manila, Philippines.

GREGORIO T. YU
Affiant

MAY 18 2026 MAKATI CITY

SUBSCRIBED AND SWORN to before me this _____ day of April 2026 at __________, affiant personally appeared before me and exhibited to me his Philippine Passport No. P4663180B, issued at DFA Manila, and valid until 02 February 2030.

Doc. No. 57;
Page No. 13;
Book No. 104;
Series of 2026.

ATTY. RYAN ANTHONY G. PEREÑA
NOTARY PUBLIC for MAKATI CITY
Commission No. M-012 until Dec. 31, 2027
Roll of Attorneys 77327
PTR No. 10764513; 01/02/2026; Makati City
IBP OR No. 566188; 12/16/2025; Pasig City
MCLE Compliance No. VIII-0000389
8553 San Jose St., Guadalupe Nuevo, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, Gabriel S. Claudio, Filipino, of legal age and a resident of Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for independent director of **HOUSE OF INVESTMENTS, INC.**

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Ginebra San Miguel Inc.	Member of the Board	2010-Present
Risks & Opportunities Assessment Management Inc.	Member of the Board	2011-Present
Toby's Sports Foundation Inc.	Member of the Board	2011-Present
Falcor Heli Solutions Inc.	Independent Director	2026-Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **HOUSE OF INVESTMENTS, INC.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am related to the following director/officer/substantial shareholder of **HOUSE OF INVESTMENTS, INC.** and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code:

Name of Director/ Officer/Substantial Shareholder	Company	Nature of Relationship
N/A		
N/A		
N/A		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I confirm that I am not engaged in government service or affiliated with any government agency or government owned and controlled corporation.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of **HOUSE OF INVESTMENTS, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done this day of 2026, at City, Metro Manila, Philippines.

Gabriel S. Claudio
Affiant

SUBSCRIBED AND SWORN to before me this day of 2026 at , affiant personally appeared before me and exhibited to me his , issued at , and valid until .

Doc. No.;
Page No. ;
Book No. ;
Series of 2026.

ANNEX “2”

[attach certifications of corporate secretary]

HOUSE OF INVESTMENTS

29 May 2026

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

Attention: **ATTY. OLIVER O. LEONARDO**
Director, Markets and Securities Regulation Department

Re: **SEC Form 20-IS of House of Investments. Inc. (SEC Reg. No. 15393)**

Gentlemen:

In compliance with the requirements of the Securities Regulation Code relative to the filing of SEC Form 20-IS of the House of Investments, Inc. (the "Company"), we hereby certify that none of the Company's incumbent directors and executive officers who may be elected and appointed during the Annual Stockholders' and Organizational Meetings to be held on 14 August 2026 are government employees, officers or appointees.

We trust that the foregoing sufficiently complies with this Honorable Commission's requirements.

Very truly yours,

SAMUEL V. TORRES
Corporate Secretary

PROXY

I, the undersigned holder of shares of stock of House of Investments, Inc. (“Corporation”), do hereby constitute, name and appoint the **Chairman of the Meeting**, or in his absence, **the Secretary of the Meeting**, as my attorney and proxy, to represent me and to vote all the shares registered under my name in the Books of the Corporation at the Annual Meeting of the Stockholders of the Corporation on **August 14, 2026** and any adjournment(s) thereof.

In particular, I hereby direct my said proxy to vote on the matters set forth below as I have expressly indicated by marking the same with an “X”. **If I fail to indicate my vote on the items specified below, I authorize my proxy full discretion to act and I understand that my proxy shall vote in accordance with the recommendation of the Management. Management recommends a “FOR ALL” vote for proposal 1 and a “FOR” for proposals 2 through 5.**

PROPOSAL	**ACTION**			
1. Election of Management’s Nominees as Directors	**FOR**	**WITHHOLD**	**EXCEPTION**	**NO. OF VOTES**
Management Nominees:				
1. Helen Y. Dee				
2. Lorenzo V. Tan				
3. Yvonne S. Yuchengco				
4. Medel T. Nera				
5. Gilbert F. Santa Maria				
6. Eugene S. Acevedo				
Independent Directors:				
7. Gregorio T. Yu				
8. Gabriel S. Caludio				
9. Omar Bryan T. Mier				
10. Alfredo S. Panlilio				
11. Rafael L. Camus				
INSTRUCTIONS: *To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.* *Except for Mr. Acevedo, Mr. Claudio, Mr. Mier, Mr. Panlilio and Mr. Camus, lll are incumbent members of the Board of Directors.*				

PROPOSAL	**FOR**	**AGAINST**	**ABSTAIN**
2. Approval of the Minutes of the Annual Stockholders’ Meeting held on August 9, 2024.			
3. Amendment of Article THIRD of the Articles of Incorporation to reflect the change in the principal office address of the Company			
4. Approval of the Management Report and Audited Financial Statements for 2024.			
5. Ratification and confirmation of the acts, resolutions and proceedings of the Board of Directors, Executive Committee, Other Committees and the Officers of the Company during the year 2024, which includes, among others, those that involve the day to day operations, administrations and management of the corporate affairs.			
6. Appointment of SGV as External Auditor			

THIS PROXY SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 10:00 A.M OF AUGUST 4, 2026, THE DEADLINE FOR SUBMISSION OF PROXIES. FOR CORPORATE STOCKHOLDERS, PLEASE ATTACH TO THIS PROXY FORM THE SECRETARY’S CERTIFICATE ON THE AUTHORITY OF THE SIGNATORY TO APPOINT THE PROXY AND SIGN THIS FORM.

REVOCABILITY OF PROXY

THE SHAREHOLDER MAY REVOKE THE PROXY ISSUED BY HIM AT ANY TIME PRIOR TO ITS USE BY THE PARTY WHO IS THEREBY AUTHORIZED TO EXERCISE THE SAME. THE PERSON SIGNING THE PROXY HAS THE RIGHT TO REVOKE THE PROXY BY ATTENDING THE MEETING IN PERSON OR EXECUTION OF A PROXY AT A LATER DATE.

THIS PROXY SHALL BE SENT TO THE SECRETARY OF THE CORPORATION THROUGH ELECTRONIC MEANS ADDRESSED TO HI_ASM@HOI.COM.PH ON OR BEFORE 10:00 A.M. ON AUGUST 4, 2026. THE DULY EXECUTED HARD COPY SHOULD ALSO BE MAILED TO THE OFFICE OF THE CORPORATE SECRETARY, HOUSE OF INVESTMENTS, INC. AT THE 9/F GREPALIFE BUILDING, 221 SEN. GIL J. PUYAT AVENUE, MAKATI CITY.

THIS PROXY SHALL BE VALID FOR THE ANNUAL MEETING OF STOCKHOLDERS OF THE CORPORATION ON AUGUST 14, 2026 UNLESS SOONER WITHDRAWN BY ME THROUGH NOTICE IN WRITING DELIVERED TO THE CORPORATE SECRETARY. IN CASE I SHALL BE PRESENT AT THE MEETING, THIS PROXY STANDS REVOKED.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR SUCH MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH MAY NOT HAVE BEEN KNOWN FOR A REASONABLE TIME BEFORE THEY ARE TO BE PRESENTED AT THE MEETING, IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON:

1. No current director or officer of the Company, or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than the election to office.
2. No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the meeting.

THIS PROXY SHALL CONFER DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OF THE FOLLOWING MATTERS:

1. MATTERS WHICH THE COMPANY DOES NOT KNOW DURING A REASONABLE TIME BEFORE THEY ARE PRESENTED AT THE MEETING.
2. MATTERS INCIDENT TO THE CONDUCT OF THE MEETING.

Printed Name	Signature of Stockholder	No. of Shares	Date

Address and Telephone Number

Please mail this proxy form to:

ATTY. SAMUEL V. TORRES
Corporate Secretary
HOUSE OF INVESTMENTS, INC.
9/F Grepalife Bldg.
221 Sen. Gil Puyat Avenue OR FAX TO : 8816-11-27 / 8815-99-81
Makati City Metro Manila
E-mail: hi_asm@hoi.com.ph

ANNEX "A"

A. Procedure to Register to be able to Attend and Participate in the Meeting

Stockholders are requested to notify the Company, by email to the following email address: hi_asm@hoi.com.ph, by August 4, 2026, of their intention to participate in the Annual Stockholders' Meeting by remote communications.

For validation purposes, Stockholders shall also provide the Company with the following information: (a) Name; (b) Address; and (c) Contact Number. The Company may require documents to ascertain and verify the identity of the requesting person.

B. Procedures for Electronic Voting *in Absentia*

I. Coverage
Stockholders of House of Investments, Inc. who chose to electronically vote *in absentia*, upon registration and validation.

II. Registration

a. Who may Register – Stockholders of Record as of July 15, 2026

b. When to Register – Registration period shall be from July 28, 2026 at 8:00 AM to August 4, 2026 at 5:00 PM, Philippine Standard Time ("Registration Period"). Beyond this date, Stockholders may no longer avail of the option to electronically vote *in absentia*.

c. How to Register – The Stockholders will be requested to send a notification together with a scanned or digital copy of the documents listed below, to the following email address: hi_asm@hoi.com.ph, within the Registration Period, for validation.

Individual Stockholders:

1. A recent photo of the Stockholder, with face fully visible,
2. Front and back portions of the Stockholder's valid government-issued, identification card, preferably with residence address, and
3. Contact number

Stockholders with Joint Account:

1. Authorization letter signed by all Stockholders, identifying who among them is authorized to cast the vote for the account,
2. A recent of the authorized Stockholder, with face fully visible,
3. Front and back portions of the Authorized Stockholder's valid government-issued identification card, preferably with residence address, and
4. Contact number of the Authorized Stockholder

Broker Accounts:

1. The broker's certification on the Stockholder's number of shareholdings duly signed by the named Nominee or Associated Person of the said broker,
2. A recent photo of the Stockholder, with face fully visible,
3. Front and back portions of the Stockholder's valid government-issued identification card, preferably with residence address, and
4. Contact number

Corporate Stockholders

1. Signed Corporate Secretary's certificate attesting to the authority of the representative to vote for and on behalf of the Corporation,
2. A recent photo of the Stockholder's representative, with face fully visible,
3. Front and back portions of the valid government-issued identification card Stockholder's representative, preferably with residence address, and
4. Contact number of the Stockholder's representative

Stockholders with incomplete requirements will not be given the link to attend the meeting through remote communication or vote *in absentia*, but may still vote by sending a proxy to the Annual Stockholders' Meeting.

d. Validation of Registration

The registration notification, information and documents required to be submitted by the Stockholder, as provided for above, shall be reviewed and evaluated whereby the identity and number of shares of the stockholder shall be ascertained and verified. The validation of the information provided, the documents submitted and the propriety of the stockholder's registration shall be completed by the Company within three (3) business days from receipt of the registration notification and required information and documents.

The Company will send an email confirming the successful validation of the Stockholders' registration.

Please note that submission of incomplete or inconsistent information may result in an unsuccessful registration and attendance in the meeting through remote communication means will not be allowed.

Note: The Company shall allow electronic signatures for the required documents, as may be applicable. Notarization requirements may also be dispensed with for justifiable reasons. The Company, however, reserves the right to request for additional information and documents, and the subsequent submission of original signed and notarized copies of required documents as it deems necessary.

III. Voting

Please use the form attached as Annex "B" to record your vote and then email to: hi_asm@hoi.com.ph, on or before August 4, 2026.

Notes and Conduct of Voting:

A. Voting

a. The Stockholder appointing a Proxy:
Stockholders may give the Proxy the authority to vote in all matters for approval.

b. The Stockholder Voting by Remote Communication or *in Absentia*
The Stockholders will be asked to fill in the attached Annex "B"
    1. For items other than the Election of Directors, the registered Stockholder has the option to vote: FOR, AGAINST, or ABSTAIN. The vote is considered cast for all the registered Stockholders' shares.
    2. For Election of Directors, the registered Stockholder may vote for all nominees, not vote for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the Stockholder, provided the total number of votes cast shall not

exceed the number of shares owned, multiplied by the number of directors to be elected.

The votes cast *in absentia* will have equal effect as votes cast by proxy.

B. Tabulation & Validation of Voting *in Absentia* or by Proxy

All votes cast through proxy forms or *in absentia* will be tabulated by the Company, and the RCBC Stock Transfer Office will validate the results.

Validation and final tally of votes through Proxy or *in Absentia* shall be released on or before the meeting date.

C. Determination of Quorum

Only those Stockholders who have notified the Company of their intention to participate in the Annual Stockholders' Meeting by remote communication, and who have successfully registered during the Registration Period, together with the Stockholders who voted by Proxy or *in Absentia* will be included in the determination of quorum.

D. Access to the Live Meeting

The Company will send to the registered Stockholders the link of the live webcast of the Annual Stockholders' Meeting through the email confirming their successful registration no later than two (2) business days prior to the Meeting.

E. Stockholders' Questions/Comments During the Meeting

Stockholders may send their questions and/or comments during the meeting to hi_asm@hoi.com.ph. The Corporate Secretary shall raise these questions on behalf of the Stockholder.

F. Recording of the Annual Meeting

The Company shall post the link to the recorded webcast of the Annual Stockholders' Meeting on the Company's website within two (2) weeks after the conduct of the meeting.

ANNEX “B”

ELECTRONIC VOTING IN ABSENTIA

PROPOSAL	**ACTION**			
Election of Management’s Nominees as Directors	**FOR**	**WITHHOLD**	**EXCEPTION**	**NO. OF VOTES**
Management Nominees:				
1. Helen Y. Dee				
2. Lorenzo V. Tan				
3. Yvonne S. Yuchengco				
4. Medel T. Nera				
5. Gilbert F. Santa Maria				
6. Eugene S. Acevedo				
Independent Directors:				
7. Gregorio T. Yu				
8. Gabriel S. Caludio				
9. Omar Bryan T. Mier				
10. Alfredo S. Panlilio				
11. Rafael L. Camus				
INSTRUCTIONS: *To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.* *Except for Mr. Acevedo, Mr. Claudio, Mr. Mier, Mr. Panlilio and Mr. Camus, lll are incumbent members of the Board of Directors.*				

PROPOSAL	**ACTION**		
	FOR	**AGAINST**	**ABSTAIN**
APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING HELD ON AUGUST 8, 2025.			
APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2025.			
AMENDMENT OF ARTICLE THIRD OF THE ARTICLES OF INCORPORATION TO REFLECT THE CHANGE IN THE PRINCIPAL OFFICE ADDRESS OF THE COMPANY			
RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND THE OFFICERS OF THE COMPANY DURING THE YEAR 2025.			
APPOINTMENT OF SGV AS EXTERNAL AUDITOR.			

DATE: ____

STOCKHOLDER’S NAME: ____

STOCKHOLDER’S SIGNATURE: ____

NOTE: Please submit this form on or before August 4, 2026 and accompanied by any government issued identification.

HOUSE OF INVESTMENTS

ANNEX "C"

MANAGEMENT REPORT

PART I BUSINESS

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 Yuchegco 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 GRHI 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-Sucat, 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.		

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
Sen. Gil Puyat Ave., Makati	2019	For development
ATYC, INC.		
Bonifacio Global City, Taguig	2022	Office/Commercial
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
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.		

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
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
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
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

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
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 SECURITIES OF REGISTRANT

(A) MARKET PRICE OF AND DIVIDENDS ON REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

a. **Market for Issuer's common equity and related stockholder matters**

STOCK PRICE PERIOD	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 common stock (PSE: HI) is traded on the Philippine Stock Exchange.
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.

b. **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%
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%

STOCKHOLDER	COMMON SHARES	% OF TOTAL
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.

c. **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 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. The Company does not have a defined dividend policy.

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 2024.

(B) DESCRIPTION OF REGISTRANTS SECURITIES: COMMON STOCK

The equity capital structure of the firm as of December 31, 2024 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

PART III FINANCIAL INFORMATION

(A) Management Discussion and Analysis of Financial Condition and Results of Operations

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%
Deconsolidated Operations 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 (₱)	% Change	% to Total

Current Liabilities					
Accounts payable and other current liabilities	**₱8,061,036,339**	₱9,883,117,824	(₱1,822,081,485)	(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	**₱2,201,795,746**	₱2,201,795,746	₱ -	-	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	**₱175,580,461,138**	₱167,643,943,122	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
Deconsolidated Operations			
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 (₱)	% 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 (₱)	% 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 liabilties	**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 *Indicates the Group's ability to pay short-term obligation*	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	**0.87:1**	0.91:1

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

ANNEX "D"

HOUSE OF INVESTMENTS, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

AND

REPORT OF INDEPENDENT AUDITOR

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

In our opinion, the accompanying parent company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2025 and 2024, and its financial performance and its 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 Parent Company Financial Statements* section of our report. We are independent of the Parent Company 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.

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

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

In preparing the parent company financial statements, management is responsible for assessing the Parent 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 parent company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company 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 parent company 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 parent company 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 Parent Company'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 Parent Company'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 parent company 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 Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company financial statements, including the disclosures, and whether the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of House of Investments, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR PARENT COMPANY FINANCIAL STATEMENTS

The management of House of Investments, Inc. is responsible for the preparation and fair presentation of the 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 Y. 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 MAKATI CITY
THIS 0 4 MAY 2026 AT
AFFIANT EXHIBITED TO ME HIS / HER.

Signed this 13th *day of* April *2026*

Doc. No. 68
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. 77752 / MCLE Compliance No. VIII-0002331
UNTIL APR. 14, 2028
IBP OR. NO. 583936 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.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱253,537,729**	₱156,253,249
Receivables (Note 7)	**873,287,544**	244,623,747
Inventories (Note 8)	**–**	2,273,838
Prepaid expenses and other current assets (Note 9)	**37,469,525**	146,950,520
Dividends receivable (Notes 14 and 18)	**50,600,000**	50,500,147
Total Current Assets	**1,214,894,798**	600,601,501
Noncurrent Assets		
Investments in subsidiaries and associates (Note 10)	**23,104,496,038**	22,029,986,542
Financial assets at fair value through other comprehensive income (FVOCI) (Note 11)	**666,335,973**	1,836,513,801
Property and equipment (Note 12)	**22,053,266**	14,099,919
Investment properties (Note 13)	**1,597,533,875**	1,601,176,995
Computer software (Note 12)	**5,071,421**	7,567,098
Other noncurrent assets (Note 9)	**314,407,519**	244,933,157
Total Noncurrent Assets	**25,709,898,092**	25,734,277,512
TOTAL ASSETS	**₱26,924,792,890**	₱26,334,879,013
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 17)	**₱169,151,967**	₱357,254,666
Loans payable (Note 15)	**805,000,000**	506,000,000
Total Current Liabilities	**974,151,967**	863,254,666
Noncurrent Liabilities		
Retirement liability - net (Note 25)	**95,984,258**	69,351,775
Deferred tax liabilities - net (Note 26)	**278,255,146**	282,114,842
Other noncurrent liabilities (Note 16)	**9,053,335**	12,803,330
Total Noncurrent Liabilities	**383,292,739**	364,269,947
Total Liabilities	**1,357,444,706**	1,227,524,613
Equity		
Capital stock (Note 27)		
Common stock	**2,201,795,750**	2,201,795,750
Additional paid-in capital	**14,808,241,606**	14,808,241,606
Reserve on equity investments at FVOCI (Note 11)	**(17,765,913)**	92,411,914
Reserve on revaluation increment on land - net (Note 12)	**1,038,451,500**	1,038,451,500
Remeasurement loss on retirement liability (Note 26)	**(9,809,370)**	366,427
Retained earnings (Note 31)		
Unappropriated	**5,846,434,611**	5,266,087,203
Appropriated	**1,700,000,000**	1,700,000,000
Total Equity	**25,567,348,184**	25,107,354,400
TOTAL LIABILITIES AND EQUITY	**₱26,924,792,890**	₱26,334,879,013

See accompanying Notes to Parent Company Financial Statements.

HOUSE OF INVESTMENTS, INC.

PRPARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2025	2024	2023
REVENUE (Note 18)			
Services	**₱212,504,942**	₱239,531,379	₱482,520,881
Management fees (Note 14)	**193,437,531**	165,667,935	134,940,913
Merchandise sales	–	2,170,940,219	3,697,237,244
Commission	–	126,833,744	131,866,683
Dealer's income	–	123,596,171	175,034,673
Others	–	6,326,509	11,936,981
	405,942,473	2,832,895,957	4,633,537,375
DIVIDEND INCOME (Note 18)	**806,231,984**	348,700,508	262,249,062
COSTS (Note 20)			
Merchandise sales	–	2,127,691,084	3,580,094,522
Services	–	162,897,976	313,845,914
	–	2,290,589,060	3,893,940,436
GROSS PROFIT	**1,212,174,457**	891,007,405	1,001,846,001
GENERAL AND ADMINISTRATIVE EXPENSES (Note 21)	**(412,291,662)**	(669,772,206)	(673,784,389)
INTEREST AND FINANCE CHARGES (Note 22)	**(19,389,295)**	(58,399,595)	(73,692,240)
OTHER INCOME - (Note 19)	**100,263,832**	265,571,336	1,188,927,986
INCOME BEFORE INCOME TAX	**880,757,332**	428,406,940	1,443,297,358
PROVISION FOR INCOME TAX (Note 26)	**25,466,112**	13,699,159	16,392,080
NET INCOME	**855,291,220**	414,707,781	1,426,905,278
OTHER COMPREHENSIVE INCOME (LOSS)			
Items not to be reclassified to profit or loss in subsequent periods:			
Fair value reserve on equity investments at FVOCI (Note 11)	**(110,177,827)**	59,053,505	839,244
Revaluation increment on land (Note 12)	–	–	124,172,000
Income tax effect	–	–	(31,043,000)
Remeasurement loss on retirement (Note 25)	**(27,526,943)**	(10,351,933)	1,844,791
Income tax effect	**6,881,736**	2,587,983	(461,198)
	(130,823,034)	51,289,555	95,351,837
TOTAL COMPREHENSIVE INCOME	**₱724,468,186**	₱465,997,336	₱1,522,257,115
EARNINGS PER SHARE (Note 33)			
Basic	**₱0.5821**	₱0.2822	₱0.9711
Diluted	**₱0.5821**	₱0.2822	₱0.9711

See accompanying Notes to Parent Company Financial Statements.

HOUSE OF INVESTMENTS, INC.

PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

			Other Comprehensive Income			Retained Earnings		
	Capital Stocks (Note 27)	Equity Investments Additional Paid-in Capital	Fair value Reserve on Increment at FVOCI (Note 11)	Revaluation Retirement on Land (Note 12)	Remeasurement Gains (Losses) on Retirement Liability (Note 25)	Unappropriated (Note 31)	Appropriated (Note 31)	Total
As at January 1, 2025	**₱2,201,795,750**	**₱14,808,241,606**	**₱92,411,914**	**₱1,038,451,500**	**₱366,427**	**₱5,266,087,203**	**₱1,700,000,000**	**₱25,107,354,400**
Net income	**–**	**–**	**–**	**–**	**–**	**855,291,220**	**–**	**855,291,220**
Other comprehensive loss	**–**	**–**	**(110,177,827)**	**–**	**(20,645,207)**	**–**	**–**	**(130,823,034)**
Total comprehensive income (loss)	**–**	**–**	**(110,177,827)**	**–**	**(20,645,207)**	**855,291,220**	**–**	**724,468,186**
Dividends to common stockholders	**–**	**–**	**–**	**–**	**–**	**(264,474,402)**	**–**	**(264,474,402)**
Remeasurement on retirement liabilities related to assets transferred(Notes 32 and 25)	**–**	**–**	**–**	**–**	**10,469,410**	**(10,469,410)**	**–**	**–**
As at December 31, 2025	**₱2,201,795,750**	**₱14,808,241,606**	**(₱17,765,913)**	**₱1,038,451,500**	**(₱9,809,370)**	**₱5,846,434,611**	**₱1,700,000,000**	**₱25,567,348,184**
As at January 1, 2024	₱2,201,795,750	₱14,808,241,606	₱33,358,409	₱1,038,451,500	₱8,130,377	₱1,363,984,981	₱5,200,000,000	₱24,653,962,623
Net income	–	–	–	–	–	414,707,782	–	414,707,782
Other comprehensive income	–	–	59,053,505	–	(7,763,950)	–	–	51,289,555
Total comprehensive income	–	–	59,053,505	–	(7,763,950)	414,707,782	–	465,997,337
Dividends to common stockholders	–	–	–	–	–	(73,465,111)	–	(73,465,111)
Sale of EEI shares after reclass to FVOCI	–	–	–	–	–	60,859,551	–	60,859,551
Release of appropriations	–	–	–	–	–	3,500,000,000	(3,500,000,000)	–
As at December 31, 2024	₱2,201,795,750	₱14,808,241,606	₱92,411,914	₱1,038,451,500	₱366,427	₱5,266,087,203	₱1,700,000,000	₱25,107,354,400
As at January 1, 2023	₱1,162,540,326	₱154,578,328	₱32,519,165	₱945,322,500	₱6,746,784	₱1,638,130,040	₱3,500,000,000	₱7,439,837,143
Net income	–	–	–	–	–	1,426,905,278	–	1,426,905,278
Other comprehensive income	–	–	839,244	93,129,000	1,383,593	–	–	95,351,837
Total comprehensive income	–	–	839,244	93,129,000	1,383,593	1,426,905,278	–	1,522,257,115
Dividends to common stockholders	–	–	–	–	–	(38,823,264)	–	(38,823,264)
Issuance of shares	1,039,255,424	14,653,663,278	–	–	–	–	–	15,692,918,702
Sale of FVOCI equity investments	–	–	–	–	–	37,772,927	–	37,772,927
Appropriation of retained earnings	–	–	–	–	–	(1,700,000,000)	1,700,000,000	–
As at December 31, 2023	₱2,201,795,750	₱14,808,241,606	₱33,358,409	₱1,038,451,500	₱8,130,377	₱1,363,984,981	₱5,200,000,000	₱24,653,962,623

See accompanying Notes to Parent Company Financial Statements.

HOUSE OF INVESTMENTS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱880,757,332**	₱428,406,940	₱1,443,297,358
Adjustments for:			
Dividend income (Note 18)	**(806,231,984)**	(348,700,508)	(262,249,062)
Movements in net retirement liability	**26,632,483**	(8,650,318)	17,107,462
Interest and finance charges (Note 22)	**19,389,295**	58,399,595	73,692,240
Depreciation and amortization (Note 24)	**14,039,843**	45,065,203	62,352,864
Interest income (Note 19)	**(6,829,484)**	(6,934,743)	(5,787,233)
Unrealized foreign exchange loss (gain) - net	**1,982,300**	(3,252,722)	(3,495,990)
Provision (reversal of) for expected credit losses and inventory obsolescence	**970,098**	(15,112,203)	651,221
Gain on sale of: (Note 19)			
Investment in subsidiaries and associates (Note 10)	**–**	–	(1,143,808,588)
Property and equipment (Note 12)	**–**	(768,602)	(2,964,666)
Investment properties	**(8,076,000)**	(13,450,000)	–
Recovery of impairment loss on investment in subsidiaries and associates (Note 10)	**–**	–	(21,682,883)
Operating income before working capital changes	**122,633,883**	135,002,643	157,112,723
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	**148,014,500**	443,302,551	(145,751,646)
Inventories	**2,273,838**	427,042,215	(93,116,957)
Prepaid expenses and other current assets	**109,480,995**	127,744,441	82,295,251
Increase (decrease) in accounts payable and other current liabilities	**(169,079,907)**	(715,202,506)	165,513,669
Net cash generated from operations	**213,323,309**	417,889,344	166,053,040
Interest received	**6,829,484**	6,934,743	5,787,233
Income tax paid, including applied creditable withholding taxes	**(25,893,670)**	(13,293,200)	(16,493,976)
Interest and finance charges paid	**(19,389,295)**	(52,932,128)	(66,359,483)
Net cash flows provided by operating activities	**174,869,828**	358,598,759	88,986,814
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	**806,132,132**	348,700,508	231,034,980
Proceeds from sale of:			
Equity investments in FVOCI	**–**	–	38,029,303
Investment in subsidiaries and associates (Note 10)	**–**	–	2,325,555,630
Investment properties	**8,736,000**	14,550,000	–
Property and equipment	**–**	–	7,775,211
Net movement in subsidiaries and associates (Note 10)	**–**	–	–
Decrease (increase) in other noncurrent asset	**(70,729,408)**	153,552,817	(99,607,004)
Acquisition of:			
Equity investments at FVOCI	**–**	–	(1,155,400,000)
Investment in subsidiaries and associates	**(40,000,000)**	(393,442,352)	(882,177,459)
Computer software (Note 12)	**(850,413)**	(4,269,598)	(6,244,583)
Property and equipment (Note 12)	**(18,052,049)**	(8,627,042)	(51,391,583)
Net cash flows provided by investing activities	**685,236,262**	110,434,333	407,574,495

(*Forward*)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans payable (Note 15)	**₱1,109,000,000**	₱741,000,000	₱2,165,000,000
Payments of:			
Loans payable (Note 15)	**(810,000,000)**	(1,691,642,021)	(2,560,357,979)
Dividends	**(264,474,402)**	(72,453,495)	(37,866,867)
Leases (Note 29)	**–**	(132,117,299)	(43,029,890)
Receipts (disbursements) from related party transactions	**(798,581,642)**	663,768,095	166,035
Net cash flows used in financing activities	**(764,056,044)**	(491,444,720)	(476,088,701)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**1,234,434**	190,057	3,495,990
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**97,284,480**	(22,221,571)	23,968,598
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**156,253,249**	178,474,820	154,506,222
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱253,537,729**	₱156,253,249	₱178,474,820

See accompanying Notes to Parent Company Financial Statements.

1. Corporate Information and Authorization for Issuance of Parent Company 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 Parent Company's portfolio investments are in, Energy, Healthcare, and Deathcare. Effective July 1, 2024, car dealership business was consolidated under Honda Cars Inc. which is 100% owned by the Parent Company.

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 Parent Company Financial Statements
The parent company separate 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

The parent company financial statements have been prepared under the historical cost basis, except for financial asset at fair value through other comprehensive income (FVOCI) which have been measured at fair value. The parent company financial statements are presented in Philippine Peso (₱), 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 parent company financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

The parent company financial statements are the Parent Company's separate financial statements prepared in compliance with PAS 27, *Separate Financial Statements*. These parent company financial statements are prepared for submission to the Philippine Bureau of Internal Revenue (BIR). The Parent Company also prepares and issues consolidated financial statements for the same period as the separate financial statements in accordance with PFRS Accounting Standards. These may be obtained at the SEC Head Office, PICC, Roxas Boulevard, Pasay City or at the Parent Company's registered office address.

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 Parent Company 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 financial statements of the Parent Company.

- Amendments to PAS 21*, Lack of exchangeability*
  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. Unless otherwise indicated, the Parent Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Parent Company intends to adopt the following pronouncements when they become effective.

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*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027
- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*
- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

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*

4. Material Accounting Policy Information

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of placement and that are subject to an insignificant risk of changes in value.

Financial Assets

Initial recognition and measurement

The Parent Company recognizes a financial asset or a financial liability in the parent company statement of financial position when it becomes a party to the contractual provisions of the instrument. 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.

Financial assets are classified, at initial recognition, as 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 Parent Company's business model for managing them. The Parent Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or which the Parent Company has applied practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

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 Parent Company'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 a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Parent Company commits to purchase or sell the asset.

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

The Parent Company's financial assets as of December 31, 2025 and 2024 consists of financial assets at amortized cost and FVOCI. The Parent Company has no financial assets at FVTPL as of December 31, 2025 and 2024.

Financial assets at amortized cost (debt instruments)
This category is the most relevant to the Parent Company. The Parent Company 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 rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of comprehensive income when the asset is derecognized, modified or impaired. As of December 31, 2025 and 2024, the Parent Company's financial assets at amortized cost include cash in bank and cash equivalent, receivables, dividends receivable and refundable deposit included under 'Other assets'.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Parent Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI 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 income in the parent company statement of income when the right of payment has been established, except when the Parent Company 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 fair value through OCI are not subject to impairment assessment.

The Parent Company elected to classify irrevocably all its equity investments under this category.

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

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Parent Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Parent Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Parent Company has transferred substantially all the risks and rewards of the asset, or (b) the Parent Company as neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Parent Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Parent Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Parent Company has retained.

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 Parent Company could be required to repay.

Impairment of financial assets
The Parent Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Parent Company 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 which there has not been a significant increase in credit risk since initial recognition, ECL is 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 timing of the default (a lifetime ECL).

For cash and cash equivalents, the Parent Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Parent Company's policy to measure ECL on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. The Parent Company uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For receivables, the Parent Company applies a simplified approach in calculating ECLs. Therefore, the Parent Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Parent Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs in the model include the Parent Company's definition of default and historical data of three years of the origination, maturity date and default date. The Parent Company considers receivables in default when contractual payments are 90 days past due. However, in certain cases, the Parent Company may also consider a financial asset to be in default when internal and external information indicates that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Parent Company.

The other financial instruments such as dividends receivable and refundable deposits, the Parent Company applies the general approach. Therefore, the Parent Company track changes in credit risk at every reporting date.

The Parent Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Parent Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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 statement of comprehensive income.

This category applies primarily to loans payable, excluding government payables, and due to related parties.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the amortization process. Any effects of restatement of foreign currency-denominated liabilities are recognized in profit or loss.

The Parent Company's other financial liabilities include "Accounts payable and other current liabilities", and "Other noncurrent liabilities".

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Inventories
Inventories are valued at the lower of cost and net realizable value (NRV). 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. 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.

Prepaid Expenses and Other Current Assets
Prepaid expenses and other current assets pertain to other resources controlled by the Parent Company as a result of past events and from which future economic benefits are expected to flow to the Parent Company within the financial reporting date.

Investments in Subsidiaries and Associates
Investments in shares of stock of the subsidiaries and associates are carried at cost less accumulated impairment losses, if any.

Subsidiaries are entities controlled by the Parent Company. 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.

An associate is an entity over which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Details of investment in subsidiaries and associates are disclosed further in Note 10.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value, except for land which is carried at revalued amount based on the latest appraisal conducted by an independent firm of appraisers. The appraisal increment resulting from the revaluation is treated as a separate component in the Parent Company's equity.

The initial cost of property and equipment consists of its purchase price, include 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 and amortization are computed using the straight-line method over the estimated useful lives (EUL) of the related assets.

Category	Number of Years
Building and building improvements	10 - 50
Transportation equipment	5
Furniture, fixtures and other equipment	3 - 5

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

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period of depreciation and amortization method are consistent with the expected patterns of economic benefit from items of property and equipment.

Land is carried at its revalued amount. The appraised values used for revaluation were determined by an independent appraiser accredited by the Philippine SEC.

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 the "Revaluation Increment on Land" account under the equity section of the parent company statement of financial position.

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

Minor repairs and maintenance costs are charged as part of current operations 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 parent company statement of comprehensive income.

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 parent company statement of comprehensive income in the year the asset is derecognized.

The asset's residual values, useful lives and methods of depreciation and amortization are reviewed, and adjusted if appropriate, at each financial year-end.

Investment Properties

Investment properties are stated at cost, 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.

Investment properties are derecognized when either they 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 parent company statement of comprehensive income in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount of the investment property transferred at the date of change in use. If owner-occupied property becomes an investment property, the Parent Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

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.

Depreciation is computed using the straight-line method, except land.

Computer Software

Computer software are stated at cost less accumulated amortization and any impairment in value. Costs related to software purchased by the Parent Company for use in the operations are amortized on a straight-line basis over a period of three (3) years.

Costs associated with developing and maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with identifiable and unique software controlled by the Parent Company and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any.

Right-of-use Asset and Lease Liability

The Parent Company recognizes right-of-use asset and lease liability on contracts that qualify as leases under PFRS 16. The Parent Company recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Unless the Parent Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Right-of-use asset is subject to impairment. Refer to the accounting policies on Impairment of Nonfinancial Assets.

Lease liability is 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 Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company 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.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate (IBR) 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 liability 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.

The Parent Company applies the short-term lease recognition exemption to its short-term leases of office space. It also applies the low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Other Noncurrent Assets

Other noncurrent assets include creditable withholding taxes (CWTs), refundable deposits and other noncurrent assets. CWTs are amounts from income subject to expanded withholding tax which can be utilized as payments for income taxes provided that these are properly supported by certificates of creditable tax withheld at source.

Impairment of Nonfinancial Assets

For Investments in subsidiaries and associates, Property and equipment, Right-of-use asset, Investment properties and Computer software, the Parent Company assesses at the end of each financial 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 Parent Company makes an estimate of the asset's recoverable amount. An assets' 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 end of the financial 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the parent company statement comprehensive of income.

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

Capital Stock
Capital stock is measured at par value for all shares issued. When the Parent Company issues more than one class of stock, a separate account is maintained for each class of stock and the number of 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 Stock
When the Parent Company purchases its own shares of capital stock (treasury shares), the consideration paid, including any attributable incremental costs, is deducted from equity until the shares are cancelled or reissued 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.

Additional Paid-in Capital
Additional paid-in capital represents the portion of the paid in capital in excess over the par or stated value.

Retained Earnings
Retained Earnings represent accumulated earnings of the Parent Company and any adjustment arising from application of new accounting standards, policies or corrections of errors applied retroactively less dividends declared.

Revenue Recognition
The Parent Company primarily derives its revenue from sales of vehicles, parts and accessories and services. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the Parent Company expects to be entitled in exchange for those goods and services. The Parent Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from merchandise sales
Revenue from sale of vehicles, parts and accessories is recognized at the point in time when the control of the asset is transferred to the customer. Revenue from sale of vehicles also includes revenue from the registration services and other free deliverables provided by the Parent Company.

The Parent Company has assessed that the registration services and other freebies included in the sale of vehicle are a separate performance obligation to which a portion of the transaction price needs to be allocated. The Parent Company allocates the transaction price of multiple performance obligation identified in one contract based on a relative stand-alone selling price of each of promised goods or services.

The Parent Company has generally concluded that it is principal in its revenue arrangements, except for its obligation to provide registration service and other freebies wherein the Parent Company's role is only to arrange for another entity to provide the services. In addition, Parent Company is also not primarily responsible for fulfilling the promised services and has no discretion in establishing the price.

A contract liability is the obligation to transfer goods or services to a customer for which the Parent Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Parent Company transfer goods or services to a 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 Parent Company performed under the contract.

Revenue from sales of services
Revenue from services and others include vehicle repairs, rust proofing and incentives from insurance. Revenue from sales of services is recognized overtime and payment is generally due upon completion of the units and acceptance of the customers.

Revenue from management fees
Revenue from management fees refers to income earned from providing management and administrative services to subsidiaries, or affiliated entities, recognized as services performed based on contractual agreements.

Revenue from administrative fees
Revenue from administrative fees refers to income earned for managing and facilitating procurement activities, or affiliated entities, recognized as the services are performed.

Other Revenue and Income Recognition
Dividend income
Dividend income is recognized when the Parent Company's right to receive the payment is established.

Rent income
Rent income is accounted on a straight-line basis over the lease term.

Interest income
Interest income is recognized as interest accrues taking into account the effective yield of the asset.

Cost and Expenses
The Parent Company's costs and expenses are those that arise in the course of the ordinary operations of the Parent Company. The following specific recognition criteria must also be met before costs and expenses are recognized.

Cost of merchandise and services
This includes costs associated with specific sale of goods and services. Such costs are recognized when the related income have been recognized.

General and administrative expenses
The Parent Company's general and administrative expenses constitute costs of administering the business. General and administrative expenses are recognized as incurred.

Retirement Benefits
The net retirement liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the financial reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net pension 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 reductions in future contributions to the plan.

The cost of providing benefits under the pension plans is actuarially determined using the projected unit credit method.

Pension expenses comprise the following:
a) Service cost
b) Net interest on the net pension liability or asset
c) Remeasurements of net pension 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 in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Parent Company recognizes related restructuring costs

These amounts are calculated periodically by independent qualified actuaries.
Net interest on the net pension liability or asset is the change during the period in the net pension 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 pension liability or asset. Net interest on the net pension 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 Parent Company, nor can they be paid directly to the Parent Company. 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). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Income Taxes

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 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, associates, and interests in joint ventures. With respect to investments in foreign subsidiaries, associates and interest in joint ventures, 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 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 directly recorded in the equity or other comprehensive income is recognized in other comprehensive income and not in the Parent Company statement of comprehensive income.

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

Interest and Financing Charges
Interest and financing charges is recognized as expense in the period in which it is incurred.

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.

Segment Reporting
The Parent Company's operating businesses 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 operating segments is presented in Note 32.

Provisions
Provisions are recognized when: (a) the Parent Company 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 parent company 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 parent company financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Financial Reporting Date
Post year-end events that provide additional information about the Parent Company's situation at the end of the financial reporting date (adjusting events) are reflected in the parent company financial statements, if any. Any post year-end events that are non-adjusting events are disclosed on the parent company financial statements when material.

5. **Significant Accounting Judgments and Estimates**

The preparation of the parent company financial statements in compliance with PFRSs requires the Parent Company to make judgments and estimates 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 parent company 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
In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the parent company financial statements:

Determining control over an entity in which Parent Company holds less than majority of voting rights
The Parent Company holds 40% of interest in RCBC Trust Corporation (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%.

Determination of lease term of contracts with renewal option - Company as a lessee
The Company has a lease contract that include renewal option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company 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.

The Company included the renewal period as part of the lease term as it assessed that it is reasonably certain to exercise its option to renew the lease (see Note 29).

Revenue from contracts with customers: Timing of satisfaction of customization of vehicle
The Parent Company concluded that revenue for the sales of trucks undergoing customization is to be recognized at a point in time (i.e., delivery of the customized unit to the customer) since most of the customization done is not highly customized and therefore still has an alternative use for the Parent Company.

Distinguishing investment property from owner-occupied property
The Parent Company distinguishes between investment property, owner-occupied property and property held for sale in the ordinary course of business based on the actual use of the property (i.e. earn rentals or for capital appreciation, owner-occupation or commencement of development with a view to sale).

<u>Estimates</u>
Leases - Estimating the Incremental Borrowing Rate (IBR)
The Parent Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Parent Company 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 Parent Company '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 Parent Company 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 credit rating).

The Parent Company's lease liabilities amounted to nil as of December 31, 2025 and 2024 (see Note 29).

Estimating allowance for expected credit losses
Upon adoption of PFRS 9, allowance for expected credit losses is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the Parent Company's historical credit loss experience and forward-looking factors specific to the debtors and the economic environment that may affect collectability. The Parent Company applies the simplified approach designed to identify potential charges to the allowance and is performed on a continuous basis throughout the period.

The collective assessment would require the Parent Company to group its receivables based on the credit risk characteristics of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile.

The methods and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

As of December 31, 2025 and 2024, allowance for expected credit losses amounted to ₱31.11 million and ₱52.18 million, respectively. As of December 31, 2025 and 2024, the carrying values of receivables amounted to ₱873.29 million and ₱244.62 million, respectively (Note 7).

Valuation of land under revaluation basis
The Parent Company's parcel 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 nil 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 12.

Estimation of retirement liability
The determination of cost of retirement is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions are discussed in Note 25, and include, among others, discount rates and salary increase rates.

As of December 31, 2025 and 2024, the retirement liability amounted to ₱95.98 million and ₱69.35 million, respectively (see Note 25).

Realizability of deferred tax assets
The Parent Company reviews the carrying amounts of deferred tax assets at each reporting date and reduces their carrying amounts 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.

Details of recognized and unrecognized deferred tax assets are disclosed further in Note 26.

6. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand	**₱27,000**	₱27,000
Cash in banks	**9,481,400**	18,581,434
Cash equivalents	**244,029,329**	137,644,815
	₱253,537,729	₱156,253,249

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents consists of time deposits with varying periods of up to three (3) months depending on the immediate cash requirements of the Parent Company, and earns interest with annual rates ranging from 3.80% to 5.00%, 4.15% to 5.20%, and 5.00% to 5.50% in 2025, 2024, and 2023, respectively.

Interest income from cash in banks and cash equivalents amounted to ₱6.16 million, ₱6.32 million, and ₱4.84 million 2025, 2024, and 2023 respectively (see Note 19).

There is no restriction on the Parent Company's cash and cash equivalents as of December 31, 2025, and 2024.

7. Receivables

This account consists of:

	2025	2024
Due from related parties (Note 14)	**₱841,838,262**	₱43,256,620
Trade receivables	**14,792,224**	206,271,838
Loan to officers and employees	**7,341,375**	5,295,231
Accrued referral incentive	**1,699,726**	1,863,785
Advances to suppliers	**20,000**	264,756
Receivable from plant	**19,519**	3,376,602
Insurance receivable	**14,480**	1,269,718
Other receivables	**38,673,786**	35,210,688
	904,399,372	296,809,238
Less allowance for expected credit losses	**31,111,828**	52,185,491
	₱873,287,544	₱244,623,747

On December 26, 2025, a 91-day loan amounting to ₱805.00 million with 7% interest per annum was granted to Tarlac Terra Ventures, Inc. (TTVI).

Trade receivables are noninterest-bearing and are generally on a thirty (30)-day term.

Loan to officers and employees mainly pertain to interest-bearing advances and loans made by officers and employees. Annual interest is 6.00% and shall be liquidated on a monthly basis through salary deduction .

Accrued referral incentive pertains to income from accredited bank institutions earned by the Parent Company through referrals made to customers who obtained bank financing in the acquisition of vehicles.

Advances to suppliers pertain to the advances made to suppliers for the purchase of vehicles, parts, and accessories.

Receivables from plant pertain to noninterest-bearing receivables for promotional subsidy and fleet discounts. Receivables from plant are collectible within one (1) year in the normal course of business.

Insurance receivable pertains to receivable from customers for the advance payment of car insurance made by the Parent Company in behalf of the customer.

The movements in allowance for expected credit losses on receivables for the years ended December 31 follow:

	2025				
	Trade receivables				
	Service	**Parts**	**Others**	**From plant**	**Total**
Balance at beginning of year	**₱24,155,910**	**₱1,763,779**	**₱26,717,915**	**(₱452,113)**	**₱52,185,491**
Provision	**–**	**–**	**970,098**	**471,632**	**1,441,730**
Recovery	**(12,461,645)**	**(1,761,319)**	**(8,292,429)**	**–**	**(22,515,393)**
Balance at end of year	**₱11,694,265**	**₱2,460**	**₱19,395,584**	**₱19,519**	**₱31,111,828**

	2024				
	Trade receivables				
	Service	Parts	Others	from plant	Total
Balance at beginning of year	₱25,862,952	₱2,489,774	₱46,321,108	₱356,407	₱75,030,241
Provision	–	–	–	312,410	312,410
Recovery	(1,707,042)	(725,995)	(19,603,193)	(1,120,930)	(23,157,160)
Balance at end of year	₱24,155,910	₱1,763,779	₱26,717,915	(₱452,113)	₱52,185,491

No receivables were pledged as security to obligations as of December 31, 2025 and 2024.

8. Inventories

This account consists of:

	2025	**2024**
Parts, accessories and materials	**₱3,990,615**	**₱3,990,615**
Automotive units (Note 20)	**–**	**–**
	3,990,615	**3,990,615**
Less allowance for inventory obsolescence	**3,990,615**	**1,716,777**
	₱–	**₱2,273,838**

The cost of inventories sold for the years ended December 31, 2025, 2024 and 2023 amounted to nil, ₱2,290.59 million and ₱3,893.94 million, respectively (see Note 20).

The Parent Company provided additional provision for inventory obsolescence in 2025, 2024 and 2023 amounting to ₱2.27 million, ₱9.38 million, and ₱0.65 million, respectively.

The Parent Company has no items of inventories which were used as security to its obligations as of December 31, 2025 and 2024.

9. Prepaid Expenses and Other Current and Noncurrent Assets

Prepaid Expenses and Other Current Assets
This account consists of:

	2025	2024
Prepaid expenses	**₱17,206,769**	₱23,569,466
Creditable withholding taxes (CWT)	**11,513,097**	96,457,733
Input value added taxes (VAT)	**6,429,110**	17,029,541
Others	**2,320,549**	9,893,780
	₱37,469,525	₱146,950,520

CWT pertains to the tax withheld at source by the Parent Company's customer and is creditable against the income tax liability of the Parent Company.

Input VAT will be used against future output VAT liabilities or will be claimed as tax credits.

Other Noncurrent Assets
This account consists of:

	2025	2024
Creditable withholding taxes (CWT)	**₱293,389,230**	₱222,555,380
Refundable deposits	**1,461,158**	1,461,156
Other noncurrent assets	**19,557,131**	20,916,621
	₱314,407,519	₱244,933,157

Other noncurrent assets include the noncurrent portion of CWT and miscellaneous deposits.

10. Investments in Subsidiaries and Associates

This account consists of:

	2025	2024
Investments in subsidiaries	**₱21,004,003,610**	₱20,004,003,610
Investments in associates	**2,100,492,428**	2,025,982,932
	₱23,104,496,038	₱22,029,986,542

Investments in Subsidiaries
The Parent Company's subsidiaries as of December 31, 2025 and 2024 are as follows:

				Percentage of Ownership			
	Place of			2025		2024	
	Incorporation	Nature of Business	Functional Currency	Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	**100**	–	100	–
Landev Corporation	Philippines	Property management	Philippine Peso	**100**	–	100	–
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	**60**	–	60	–
RCBC Trust Corporation (RTrust) [(a)]	Philippines	Trust	Philippine Peso	**40**	–	40	–
Tarlac Terra Ventures, Inc. [(b)]	Philippines	Property leasing	Philippine Peso	**100**	–	100	–
MICO Equities Inc. (MEI) [(c)]	Philippines	Insurance	Philippine Peso	**77.33**	–	77.33	–
Malayan Securities Corporation [(c)]	Philippines	Investing	Philippine Peso	**100**	–	100	–

	Place of			Percentage of Ownership			
				2025		2024	
	Incorporation	Nature of Business	Functional Currency	Direct	Indirect	Direct	Indirect
Malayan International Insurance Corporation Limited [c]	Bahamas	Investment	Philippine Peso	**100**	–	100	–
Malayan Insurance Company, Inc. [c]	Philippines	Insurance	Philippine Peso	**100**	–	100	–
Sun Life Grepa Financial Inc. (SLGFI) [c]	Philippines	Insurance	Philippine Peso	**51**	–	51	–
Grepa Realty Holdings Corp. (GRHC) [c]	Philippines	Property leasing	Philippine Peso	**49.00**	**26.01**	49.00	26.01
ATYC, Inc. (ATYC) [d]	Philippines	Property leasing	Philippine Peso	**100**	–	100	–
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	**100**	–	100	–
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	–	**100**	–	100
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	–	**100**	–	100
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	–	**100**	–	100
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	**100**	–	100	–
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	**50**	**13**	50	13
iPeople, inc. (IPO)	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**	–	100
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMI)	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
Malayan High School of Science, Inc. (MHSSI)	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
Mapua Information Technology Center, Inc. (MITC)	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
Mapua Techserv, Inc. (MTI)	Philippines	Consultancy	Philippine Peso		**100**		100
Mapua Techpower Inc.	Philippines	Consultancy	Philippine Peso	–	**75**	–	75
People eServe Corporation	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
Pan Pacific Computer Center, Incorporated (PPCCI)	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100
National Teachers College doing business under the name/s and style/s of The National Teachers College [e]	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 [f]	Philippines	Education and Information Technology	Philippine Peso	–	–	–	100
LINC Institute, Inc doing business under the Name and Style of LINC Academy	Philippines	Education and Information Technology	Philippine Peso	–	**100**	–	100

(a) On April 20, 2023, the Parent Company acquired 40% stake of RCBC Trust Corporation (RTrust).

(b) On December 28, 2023, the Parent Company acquired 8,000,000 common shares representing 100% ownership in TTVI.

(c) On December 29, 2023, the SEC approved the valuation of shares of stock in the amount of P10.74 billion to be applied as payment for the additional issuance of 472,836,249 common shares relative to the shares swap agreement with Pan Malayan Management & Investment Corporation (PMMIC) in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MICO Equities, Inc.; and GPL Holdings, Inc. (GPLH) in exchange for 100% of GPLH's outstanding shareholdings in SunLife Grepa Financial, Inc.

(d) On September 1, 2022, the Parent Company acquired 5,000,000 common shares representing 100% ownership in ATYC.

(e) With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%

(f) In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company

The movements in 'Investments in subsidiaries' account follows:

	2025	2024
Acquisition cost		
Balance at beginning of year	**₱20,009,350,089**	₱19,790,340,089
Acquisition	–	219,010,000
Reclassification	**1,000,000,000**	–
Balance at end of year	**21,009,350,089**	20,009,350,089
Accumulated impairment loss		
Balance at beginning and end of year	**(5,346,479)**	(5,346,479)
	(5,346,479)	(5,346,479)
	₱21,004,003,610	₱20,004,003,610

In 2025, the Parent Company reclassed its investment in RCBC Realty Corporation (RRC) and ATYC, Inc. amounting to ₱60.00 million and ₱1.00 billion, respectively from FVOCI to Investments in subsidiaries and associates.

Increase in ownership over IPO
On December 13, 2024, the Parent Company acquired 19,000,000 shares of IPO amounting to ₱129.01 million.

Acquisition of additional share of HCI
On July 01, 2024, the Parent Company acquired 30,000,000 shares of Honda Cars Kalookan, Inc. amounting to ₱90.00 million.

Deconsolidation of EEI
On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEI Corporation (EEI) for a consideration of ₱1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% resulting in loss of control over EEI. The Parent Company accounted for the retained interest over EEI as an investment in associate and resulted to gain on sale amounting to ₱0.56 billion.

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 for as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

As at December 31, 2023, the Parent Company classified 4.5% interest in EEI amounting to ₱154.82 million as "Asset Held for Sale". The transaction was accounted as noncash investing activity in the 2023 parent company statement of cash flows. The assets were subsequently sold on January 5, 2024 at a selling price of ₱337.38 million.

On January 5, 2024, the Parent Company sold 46,632,667 common shares, representing 4.5% of the outstanding shares of EEI Corporation (EEI), classified as "Non-current Asset held for sale", for a consideration of ₱337 billion. Gain from sale amounted to ₱182 billion.

On February 23, 2024, the Parent Company has reclassified 15,546,021 EEI common shares, representing 1.5% of the outstanding common shares to FVOCI amounted to ₱51.61 billion (see Note 11).

Acquisition of SLGFI, GRHC and MEI
On December 29, 2023, the 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 SLGFI and 73,416,558 common shares in exchange for a 49% stake in GRHC. Under the share swap agreement with PMMIC, the Parent Company issued 397,703,801common 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.

Acquisition of TTVI
On December 28, 2023, the Parent Company acquired 8,000,000 common shares representing 100% ownership in TTVI at ₱0.80 billion accounted as investment in subsidiary.

Acquisition of RCBC Trust
On April 20, 2023, the Parent Company acquired 40% interest over RCBC Trust Corporation (RTrust) amounting to ₱40.0 million. The Parent Company, despite 40% ownership only shall have the management control over RCBC Trust.

Investments in Associates
The Parent Company's associates as of December 31, 2025 and 2024 are as 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

The movements in 'Investments in associates' follow:

	2025	2024
Acquisition cost		
Balance at beginning of year	**₱2,025,982,932**	₱2,609,374,643
Acquisition	**40,000,000**	174,432,352
Disposal	–	(51,612,790)
Reclassification	**60,000,000**	(516,126,280)
Write-off	**25,490,504**	(190,084,993)
	₱2,100,492,428	₱2,025,982,932

Investment in PERC
On September 25, 2024, the Parent Company acquired 3,540,670 shares of Petro Energy Resources Corporation amounting to ₱13.07 million.

On February 06, 2024 and March 06, 2024 the Parent Company acquired 3,276,200 shares and 1,580,000 shares of Petro Energy Resources Corporation amounting to ₱14.42 million and ₱6.95 million, respectively.

Investment in SGAPC
In 2025 and 2024, the Parent Company infused additional capital into SGAPC amounting to ₱40.00 million and ₱140.00 million, respectively.

In 2025 and 2026, the Parent Company recognized write-offs of its investment in SGAPC amounting to ₱25.49 million and ₱190.00 million, respectively.

Summarized financial information of PERC, RRC, MMPCI, and SGAPC, significant associates, are as follows:

	2025			
	PERC	**RRC**	**MMPC**	**SGAPC**
Current assets	**₱3,610,784,110**	**₱622,536,992**	**₱2,912,925,943**	**₱99,428,435**
Noncurrent assets	**22,072,901,814**	**5,914,313,215**	**2,798,066,788**	**–**
Total assets	**₱25,683,685,924**	**₱6,536,850,207**	**₱5,710,992,731**	**₱99,428,435**
Current liabilities	**₱2,974,729,093**	**₱1,346,454,303**	**₱1,294,545,178**	**₱26,880,956**
Noncurrent liabilities	**8,607,447,571**	**1,258,136,319**	**414,176,111**	**–**
Total liabilities	**₱11,582,176,664**	**₱2,604,590,622**	**₱1,708,721,289**	**₱26,880,956**
Revenue	**₱3,724,205,637**	**₱1,815,370,903**	**₱1,049,589,037**	**₱53,807,475**
Cost	**(2,156,425,570)**	**–**	**(126,615,217)**	**–**
Gross margin	**1,567,780,067**	**1,815,370,903**	**922,973,820**	**53,807,475**
General and administrative, and other expenses/income	**(885,159,105)**	**(993,575,367)**	**(273,436,870)**	**162,015,373**
Pre-tax income	**₱682,620,962**	**₱821,795,536**	**₱649,536,950**	**₱215,822,848**

	2024			
	PERC	RRC	MMPC	SGAPC
Current assets	₱4,598,250,872	₱762,198,003	₱2,608,817,786	₱132,060,312
Noncurrent assets	18,762,389,863	5,862,514,497	2,636,226,150	35,468,769
Total assets	₱23,360,640,735	₱6,624,712,500	₱5,245,043,936	₱167,529,081
Current liabilities	₱2,233,380,557	₱1,267,129,854	₱1,180,321,609	₱506,481,960
Noncurrent liabilities	7,510,710,099	1,751,971,256	471,782,707	–
Total liabilities	₱9,744,090,656	₱3,019,101,110	₱1,652,104,316	₱506,481,960
Revenue	₱3,447,636,609	₱2,084,912,492	₱918,782,052	₱2,317,186,000
Cost	(1,808,648,852)	–	(104,111,192)	(2,358,698,827)
Gross margin	1,638,987,757	2,084,912,492	814,670,860	(41,512,827)
General and administrative, and other expenses/income	(645,157,280)	(1,030,831,890)	(330,427,111)	(540,241,910)
Pre-tax income	₱993,830,477	₱1,054,080,602	₱484,243,749	(₱581,754,737)

11. **Equity Investments at FVOCI**

This account consists of:

	2025	2024
Quoted	**₱637,245,571**	₱768,423,399
Unquoted	**29,090,402**	1,068,090,402
	₱666,335,973	₱1,836,513,801

The roll forward of equity investment at FVOCI for the years ended December 31 follows:

	2025	2024
Balance at beginning of year	**₱1,836,513,801**	₱1,261,334,015
Reclassification	**(1,060,000,000)**	567,739,070
Fair value changes	**(110,177,828)**	68,300,279
Reclassification to retained earnings	**–**	(60,859,563)
Balance at end of year	**₱666,335,973**	₱1,836,513,801

Presented below are the movements in net accumulated unrealized gain on equity investment at FVOCI for the years ended December 31:

	2025	2024
Balance at beginning of year	**₱92,411,914**	₱33,358,409
Fair value changes taken to other comprehensive income	**(110,177,827)**	59,053,505
Balance at end of year	**(₱17,765,913)**	₱92,411,914

During the year, the Parent Company reclassed its investment in RCBC Realty Corporation and ATYC, Inc. amounting to ₱60.00 million and ₱1.00 billion, respectively from financial assets at FVOCI to investments in subsidiaries and associates.

In February 2024, the Parent Company has reclassified 15,546,021 EEI common shares, representing 1.5% of the outstanding common shares to FVOCI amounted to ₱51.6 billion.

In May 2023, the Parent Company subscribed ATYC's 10,000,000 preferred shares amounting to ₱1.0 billion.

In October 2023, the Parent Company sold 8,545,911 Benguet Corp "A" shares for a selling price of ₱38.0 million, resulting to gain of ₱37.8 million which was reclassified to retained earnings.

In December 2023, the Parent Company purchase additional 7,000,000 RCBC shares amounting to ₱155.4 million.

<u>Unquoted</u>
The unquoted securities consist of non-listed shares amounting to ₱29.09 million and ₱1,068.01 million as of December 31, 2025 and 2024, respectively.

The Parent Company elected to present changes of all its equity investment in OCI because it does not intend to trade these investments.

12. Property and Equipment and Computer Software

Property and Equipment

Property and equipment at revalued amount

The Parent Company owns a parcel of 7,304 sqm land located in Quezon Avenue, Quezon City wherein the car dealership showroom was erected.

Movements in land carried at revalued amounts for the years ended December 31, 2024 follows:

Land at cost:	
Balance at beginning and end of year	₱171,193,000
Revaluation increment on land:	
Balance at beginning of year	1,384,602,000
Additions	–
Transfer to Investment Property	(1,555,795,000)
Balance at end of the year	(171,193,000)
	₱–

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.

Movements in revaluation increment on land, net of deferred tax effect, for the years ended December 31 follow:

	2025	2024	2023
Balance at beginning of year	**₱1,038,451,500**	₱1,038,451,500	₱945,322,500
Revaluation increment	**–**	–	93,129,000
Balance at end of year	**₱1,038,451,500**	₱1,038,451,500	₱1,038,451,500

In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). As a result, the land located in Quezon Avenue, Quezon City wherein the car dealership showroom was erected and previously classified as property and equipment has been reclassified to investment property. HCI is leasing the property from the Parent Company.

Property and equipment at cost

The roll forward analysis of property and equipment carried at cost follows:

	2025					
	Building and Improvements	**Leasehold Improvements**	**Transportation Equipment**	**Construction in Progress**	**Furniture, Fixtures and Other Equipment**	**Total**
Cost						
Balances at beginning of year	**₱–**	**₱21,881,636**	**₱33,407,534**	**₱–**	**₱ 67,067,738**	**₱122,356,908**
Additions	–	–	**16,915,829**	–	**1,136,220**	**18,052,049**
Reclassification/adjustments	–	–	**(823,203)**	–	**(1,122,455)**	**(1,945,658)**
Balances at end of year	–	**21,881,636**	**49,500,160**	–	**67,081,503**	**138,463,299**

(*Forward*)

	2025					
	Building and Improvements	**Leasehold Improvements**	**Transportation Equipment**	**Construction in Progress**	**Furniture, Fixtures and Other Equipment**	**Total**
Accumulated Depreciation and Amortization						
Balances at beginning of year	**₱–**	**₱21,881,636**	**₱25,496,933**	**₱–**	**₱60,878,420**	**₱108,256,989**
Depreciation and amortization (Note 24)	**–**	**–**	**4,366,031**	**–**	**3,344,602**	**7,710,633**
Reclassification/adjustments	**–**	**–**	**(573,434)**	**–**	**1,015,845**	**442,411**
Balances at end of year	**–**	**21,881,636**	**29,289,530**	**–**	**65,238,867**	**116,410,033**
Net Book Value	**₱–**	**₱–**	**₱20,210,630**	**₱–**	**₱1,842,636**	**₱22,053,266**

	2024					
	Building and Improvements	Leasehold Improvements	Transportation Equipment	Construction in Progress	Furniture, Fixtures and Other Equipment	Total
Cost						
Balances at beginning of year	₱597,048,239	₱21,881,636	₱215,625,410	₱17,454,612	₱182,192,075	₱1,034,201,972
Additions	25,964,484	–	8,729,340	–	4,031,771	38,725,595
Disposals	(5,790,957)	–	(190,947,216)	–	(119,156,108)	(315,894,281)
Reclassification	(617,221,766)	–	–	(17,454,612)	–	(634,676,378)
Balances at end of year	–	21,881,636	33,407,534	–	67,067,738	122,356,908
Accumulated Depreciation and Amortization						
Balances at beginning of year	500,902,205	21,881,636	186,594,474	–	164,129,086	873,507,401
Depreciation and amortization (Note 24)	6,048,754	–	7,158,482	–	5,261,291	18,468,527
Disposals	–	–	–	–	(2,707,758)	(2,707,758)
Reclassification	(506,950,959)	–	(168,256,023)	–	(105,804,199)	(781,011,181)
Balances at end of year	–	21,881,636	25,496,933	–	60,878,420	108,256,989
Net Book Value	₱–	₱–	₱ 7,910,601	₱–	₱6,189,318	₱14,099,919

In 2025, 2024 and 2023, the Parent Company sold property and equipment with carrying values of nil, ₱3.3 million and ₱1.7 million which resulted to gain of nil, ₱0.8 million and ₱3.0 million, respectively (see Note 19).

There are no property and equipment items that were pledged as security to liabilities as of December 31, 2025 and 2024.

Computer Software

This account consists of:

	2025	2024
Cost		
Balance at beginning of year	**₱28,590,931**	₱59,117,557
Additions	**850,413**	4,269,598
Transfers	**–**	(34,796,224)
Balance at end of year	**29,441,344**	28,590,931
Accumulated Amortization		
Balance at beginning of year	**21,023,833**	50,392,193
Amortization (Note 24)	**3,346,090**	5,427,864
Transfers	**–**	(34,796,224)
Balance at end of year	**24,369,923**	21,023,833
Net Book Value	**₱5,071,421**	₱7,567,098

Depreciation and Amortization
Depreciation and amortization are charged to “General and Administrative Expenses” amounting to ₱14.04 million, ₱24.39 million and ₱31.51 million for the years ended December 31, 2025, 2024 and 2023, respectively (Note 24).

13. Investment Properties

This account consists of:

	2025	2024
Cost		
Balance at beginning of year	**₱1,601,176,995**	₱1,760,027
Reclassification	–	1,601,014,155
Disposals	**(660,000)**	(1,100,000)
Depreciation (Note 24)	**(2,983,120)**	(497,187)
Net Book Value	**₱1,597,533,875**	₱1,601,176,995

In 2025 and 2024, the Parent Company sold three (3) and four (4) heritage lots for a selling price of ₱2.91 million each resulting to a gain of ₱2.69 million, respectively.

As of December 31, 2025 and 2024, the carrying value of parcels of land held for capital appreciation and classified as investment properties amounted to ₱1.60 billion.

As of December 31, 2025 and 2024, the appraised value of the land and building made by an independent SEC-accredited appraiser was ₱1,658.05 million and ₱229.87 million; and ₱1,643.44 million and P241.78 million, respectively.

As of December 31, 2025, the fair value of parcels of land and building was determined based on valuation performed by an independent SEC accredited appraiser in 2025. The fair value of the investment properties 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 in economic characteristics of the properties (Level 3 - Significant unobservable inputs).

Allowance for impairment losses was ₱1.8 million for the years 2025 and 2024. No provision for impairment loss has been recognized in 2025 and 2024.

14. Related Party Transactions

The transactions and outstanding balances with related parties in 2025 and 2024 consist of the following:

	2025			
Category	**Amount/ Transactions**	**Outstanding Receivable (Payable)**	**Terms**	**Conditions**
Parent Company – PMMIC				
Accounts payable	**(₱2,901,636)**	**(₱692,640)**	**Noninterest-bearing**	**Unsecured**
Miscellaneous expense	**400,191**	**–**		
Dividends payable	**(124,643,406)**	**–**	**Noninterest-bearing**	**Unsecured**
Subsidiaries				
Due from related parties	**1,058,071,497**	**837,303,092**	**Noninterest-bearing**	**Unsecured, unimpaired**
Management Fee	**161,307,532**	**–**		
Audit Fees	**18,757,716**	**–**		
Dividends receivable	**714,663,976**	**38,000,000**	**Noninterest-bearing**	**Unsecured, unimpaired**
Due to related parties	**(20,265,913)**	**(1,096,841)**	**Noninterest-bearing**	**Unsecured**
Accounts payable	**(21,485,016)**	**(2,189,830)**	**Noninterest-bearing**	**Unsecured**
Subscriptions payable	**–**	**–**	**Noninterest-bearing**	**Unsecured**
Associates				
Due from/to related parties	**10,429,845**	**3,178,298**	**Noninterest-bearing**	**Unsecured, with impairment**
Management and audit fees (Due from)	**13,042,282**	**–**		
Dividends receivable	**86,494,444**	**12,600,000**	**Noninterest-bearing**	**Unsecured, unimpaired**
Entities under common control of PMMIC				
Cash and cash equivalents		**251,873,588**	**Interest at prevailing bank deposit rate**	**Unrestricted, unimpaired**
Interest income	**4,925,245**	**–**	**–**	**Unsecured, unimpaired**
Loan payables	**–**	**–**	**Interest at 7% principal payable at maturity**	**Unsecured, Unimpaired**
Interest expense	**–**	**–**	**–**	**Unsecured**
Vehicle sales (Receivables)	**–**	**–**	**Noninterest-bearing**	**Unsecured, no impairment**
Due from related parties	**2,934,485**	**1,356,872**	**Noninterest-bearing**	**Unsecured, no impairment**
Management and audit fee income (Due from)	**90,000**	**–**		
Dividend receivable	**5,005,812**	**–**	**Noninterest-bearing**	**Unsecured, unimpaired**

Category	2024 Amount/ Transactions	Outstanding Receivable (Payable)	Terms	Conditions
Parent Company – PMMIC				
Accounts payable	(₱3,201,369)	(₱2,212,101)	Noninterest-bearing	Unsecured
Miscellaneous expense	1,027,860	–		
Dividends payable	(34,623,168)	–	Noninterest-bearing	Unsecured
Subsidiaries				
Due from related parties	347,806,295	40,399,217	Noninterest-bearing	Unsecured, unimpaired
Management Fee	145,795,492	–		
Audit Fees	19,207,662	–		
Dividends receivable	181,438,762	38,000,152	Noninterest-bearing	Unsecured, unimpaired
Due to related parties	65,204,812	(22,692,595)	Noninterest-bearing	Unsecured
Subscriptions payable	–	(3,750,000)	Noninterest-bearing	Unsecured
Associates				
Due from related parties	3,092,454	1,926,191	Noninterest-bearing	Unsecured, with impairment
Management and audit fees (Due from)	3,754,780	–		
Dividends receivable	88,326,467	12,500,000	Noninterest-bearing	Unsecured, unimpaired
Entities under common control of PMMIC				
Cash and cash equivalents		154,278,828	Interest at prevailing bank deposit rate	Unrestricted, unimpaired
Interest income	5,054,969	–	–	Unsecured, unimpaired
Loan payables	–	–	Interest at 7% principal payable at maturity	Unsecured, Unimpaired
Interest expense	7,259,170	–	–	Unsecured
Vehicle sales (Receivables)	359,657,090	117,666,900	Noninterest-bearing	Unsecured, no impairment
Due from related parties	3,439,320	931,213	Noninterest-bearing	Unsecured, no impairment
Management and audit fee income (Due from)	90,000	–		
Dividend receivable	7,163,896	–	Noninterest-bearing	Unsecured, unimpaired

The Parent Company statements of financial position as of December 31, 2025 and 2024 include the following amounts resulting from transactions with related parties:

	2025	2024
Assets:		
Cash and cash equivalents	**₱251,873,588**	₱154,278,828
Trade receivable	–	117,666,900
Dividends receivable	**50,600,000**	50,500,147
Due from related parties	**841,838,262**	43,256,620
Liabilities:		
Accounts payable	**2,882,470**	2,212,101
Due to related parties (Note 17)	**1,096,841**	22,692,595
Subscription payable (Note 16)	–	3,750,000

Amounts due from subsidiaries, associates and other related parties represent mainly interest-bearing advances for working capital requirements and share in common overhead expenses. The Parent Company receives management fees from subsidiaries and associates, primarily for the latter's share in the costs of the internal audit, treasury and accounting departments. Due from related parties are collectible within one (1) year in the normal course of Parent Company's business.

The remuneration of the members of key management is as follows:

	2025	2024	2023
Salaries, wages and allowances	**₱184,177,230**	₱129,819,038	₱117,655,722
Short-term employee benefits	**1,720,000**	2,240,000	1,900,000
	₱185,897,230	₱132,059,038	₱119,555,722

The Retirement fund (Fund) of the Parent Company is being maintained and managed, in trust, by an affiliate financial institution, RCBC. Trust fee expenses incurred by the Fund in 2025, 2024 and 2023 amounted to ₱0.49 million, ₱0.73 million and ₱0.74 million, respectively (Note 26).

Terms and conditions of transactions with related parties

Outstanding balances at year-end are unsecured, interest-free if paid when due, otherwise, interest bearing, and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Parent Company has not recognized any expected credit losses on amounts due from related parties for the years ended December 31, 2025 and 2024. 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 Parent Company's total assets based on its latest audited financial statements.

All material related party transactions shall be reviewed by the Parent Company'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.

15. Loans Payable

As of December 31, 2025 and 2024, the Parent Company has unsecured bank loans with terms of up to three (3) months bearing annual interest rates ranging from 6.05% to 6.50% and 6.15% to 7.00% in 2025 and 2024, respectively.

Rollforward analysis of loans payable as follows:

	2025	2024
Beginning of year	**₱506,000,000**	₱1,456,642,021
Availments	**1,109,000,000**	741,000,000
Payments	**(810,000,000)**	(1,691,642,021)
End of year	**₱805,000,000**	₱506,000,000

Interest expense incurred on these loans amounted to ₱16.64 million, ₱47.66 million and ₱66.54 million in 2025, 2024 and 2023, respectively (See Note 22).

16. Other Noncurrent Liabilities

This account consists of:

	2025	2024
Subscriptions payable (Note 14)	**₱–**	₱3,750,000
Others	**9,053,335**	9,053,330
	₱9,053,335	₱12,803,330

Subscription payable consists of unpaid subscriptions to shares of stock of Zambowood Realty and Development Corporation (ZRDC) (See Note 14).

17. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Trade payable	**₱139,612,545**	₱262,279,853
Accrued expenses	**19,382,611**	66,085,819
Withholding tax and other payables to government agencies	**9,059,970**	6,196,399
Due to related parties (Note 14)	**1,096,841**	22,692,595
	₱169,151,967	₱357,254,666

Trade payables are non-interest bearing and are generally settled on 30-60 days' term.

Accrued expenses consist of:

	2025	2024
Accrued salaries and wages	**₱763,825**	₱–
Accrued interest	**657,416**	744,214
Others	**17,961,370**	65,341,605
	₱19,382,611	₱66,085,819

Other accrued expenses comprise of accruals for Social Security System premium, Home Development Mutual Fund, Philippine Health Insurance Corporation payables, among others.

Both accounts payable and other current liabilities are expected to be settled in the next twelve (12) months.

18. Revenue and Dividend Income

Disaggregated revenue information
Set out below is the disaggregation of the Company's revenue:

	2025	2024	2023
Timing of revenue recognition			
Point in time	**₱193,437,530**	₱2,572,009,636	₱4,151,016,494
Overtime	**212,504,943**	260,886,321	482,520,881
	₱405,942,473	₱2,832,895,957	₱4,633,537,375

In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). The cars/automotive business of the Group have been centralized to HCI.

Dividend Income
Dividends were earned from the following during the years ended December 31:

	2025	2024	2023
Subsidiaries and associates	**₱801,158,419**	₱270,397,539	₱260,019,725
Others	**5,073,565**	78,302,969	2,229,337
	₱806,231,984	₱348,700,508	₱262,249,062

Dividends receivable amounted to ₱50.60 million and ₱50.50 million as of December 31, 2025 and 2024, respectively.

19. Other Income

This account consists of:

	2025	2024	2023
Cost recovery from related parties	**₱42,923,832**	₱32,110,718	₱26,571,174
Rent income	**34,516,269**	21,310,632	8,772,557
Gain on sale of:			
Investments (Notes 10 and 13)	**8,076,000**	196,005,564	1,143,808,588
Property and equipment (Note 12)	–	768,602	2,964,666
Interest income	**6,829,484**	6,934,743	5,787,233
Director's fees	**4,701,513**	5,133,105	4,516,527
Foreign exchange gain (loss)	**3,216,734**	3,307,972	(3,492,759)
	₱100,263,832	₱265,571,336	₱1,188,927,986

Interest income consists of interest on:

	2025	2024	2023
Cash in banks and cash equivalents (Note 6)	**₱6,158,055**	₱6,319,945	₱4,842,520
Advances to officers and employees	**358,374**	303,836	384,248
Advances to subsidiaries and affiliates	**313,055**	310,962	560,465
	₱6,829,484	₱6,934,743	₱5,787,233

20. Costs

In 2024 and 2023, this account consists of:

	2024	2023
Cost of merchandise sales		
Vehicles	₱1,945,422,025	₱3,349,729,819
Parts and accessories	182,269,059	230,364,703
	2,127,691,084	3,580,094,522
Cost of services (Note 23)		
Mechanical (general repair)	42,649,427	192,319,172
Body and paint	100,079,542	85,908,534
Labor	20,169,007	35,618,208
	162,897,976	313,845,914
	₱2,290,589,060	₱3,893,940,436

In 2024 and 2023, the rollfoward of cost of vehicle sales follow:

	2024	2023
Inventory, beginning (Note 8)	₱365,825,126	₱269,063,360
Purchases	1,581,870,737	3,446,491,585
Total goods available for sale	1,947,695,863	3,715,554,945
Less inventory end (Note 8)	2,273,838	365,825,126
	₱1,945,422,025	₱3,349,729,819

21. General and Administrative Expenses

General and administrative expenses consist of the following:

	2025	2024	2023
Personnel (Note 23)	**₱259,889,400**	₱247,292,873	₱270,097,471
IT expense	**32,546,059**	10,541,345	17,643,035
Provision for (write-off):			
Investment in subsidiaries and associates	**25,490,504**	142,400,101	(21,682,883)
Receivables	**970,098**	(17,859,289)	(2,958,784)
Inventory obsolescence	–	9,380,580	651,221

(*Forward*)

	2025	2024	2023
Communication, light and water	**₱19,526,818**	₱17,886,827	₱22,901,599
Taxes and licenses	**17,288,109**	49,248,049	76,940,847
Depreciation and amortization (Note 24)	**14,039,843**	45,065,203	62,352,864
Professional and consultancy fees	**12,746,426**	20,068,144	20,029,924
Insurance	**5,598,625**	7,103,323	8,288,152
Entertainment, amusement and recreation	**4,794,202**	22,658,240	19,559,844
Rent	**4,673,689**	5,754,509	5,354,837
Transportation and travel	**4,294,346**	10,169,104	11,259,195
Security services	**2,826,555**	17,521,754	30,954,783
Commissions	**1,404,000**	18,936,573	38,093,042
Repairs and maintenance	**725,577**	2,588,248	3,624,598
Supplies	**598,951**	2,494,579	4,021,318
Seminars	**595,632**	6,723,720	517,209
Advertising and promotions	**–**	43,856,470	70,539,014
Selling expenses	**–**	–	7,624,774
Miscellaneous	**4,282,828**	7,941,852	27,972,329
	₱412,291,662	₱669,772,206	₱673,784,389

Miscellaneous expenses include association dues and subscriptions, accrued rent expenses, and bank charges, among others.

22. Interest and Finance Charges

This account consists of interest expense on loans and finance lease:

	2025	2024	2023
Loans payable (Note 15)	**₱16,641,597**	₱52,932,129	₱66,532,933
Lease liabilities (Note 29)	–	5,467,466	7,148,677
Others	**2,747,698**	–	10,630
	₱19,389,295	₱58,399,595	₱73,692,240

Others pertains to interest expense related to settlement to BIR tax audit.

23. Personnel Expenses

This account consists of (Notes 20 and 21):

	2025	2024	2023
Salaries and wages	**₱237,932,250**	₱177,641,066	₱238,664,901
Employee benefits	**21,957,150**	89,820,814	67,050,778
	₱259,889,400	₱267,461,880	₱305,715,679

The distribution of the personnel costs follows:

	2025	2024	2023
Cost of services (Note 20)	**₱–**	₱20,169,007	₱35,618,208
General and administrative expenses (Note 21)	**259,889,400**	247,292,873	270,097,471
	₱259,889,400	₱267,461,880	₱305,715,679

24. Depreciation and Amortization

This account consists of depreciation and amortization of property and equipment, right-of-use assets and computer software:

	2025	2024	2023
Property and equipment (Note 12)	**₱7,710,633**	₱18,468,527	₱26,915,457
Computer software (Note 12)	**3,346,090**	5,427,864	4,599,101
Investment properties (Note 13)	**2,983,120**	497,187	–
Right-of-use assets (Note 29)	**–**	20,671,625	30,838,306
	₱14,039,843	₱45,065,203	₱62,352,864

Depreciation and amortization is charged to "General and Administrative Expenses" in the parent company's statement of comprehensive income.

25. Retirement Plan

The Parent Company has a funded, noncontributory retirement plan (the Plan) for all of its regular employees. The Plan provides for normal, early retirement, death and disability benefits.

The most recent actuarial valuation was carried out on January 9, 2026 for the retirement plan of the Parent Company as of December 31, 2025.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The following tables summarize the components of the retirement expense recognized in the parent company statements of comprehensive income and amounts recognized in the parent company statements of financial position for the retirement plan.

Based on the actuarial valuation as of December 31, 2025 and 2024 computed using the PUC method, the Parent Company's retirement liability and expenses are summarized as follows:

	2025	2024
Retirement liability	**₱95,984,258**	₱69,351,775
Retirement expense	**19,157,250**	16,665,018

The retirement expense recognized by the Parent Company under general and administrative expense in 2025 and 2024 are as follows:

	2025	2024
Current service cost	**₱14,905,987**	₱12,787,065
Net interest expense	**4,251,263**	3,877,953
Retirement expense	**₱19,157,250**	₱16,665,018

The net retirement liability recognized in the parent company statements of financial position follow:

	2025	2024
Present value of defined benefit obligation	**₱197,785,131**	₱150,838,490
Fair value of plan assets	**(101,800,873)**	(81,486,715)
	₱95,984,258	₱69,351,775

The movements in the net retirement liability follow:

	2025	2024
Balance at beginning of year	**₱69,351,775**	₱78,002,093
Contributions	**(20,051,710)**	(18,629,295)
Retirement expense	**19,157,250**	16,665,018
Transfers	**–**	(13,657,374)
Remeasurement gain	**27,526,943**	6,971,333
Balance at end of year	**₱95,984,258**	₱69,351,775

Following the transfer of the Parent Company's asset and liabilities to HCI (see Note 32), Remeasurement losses amounting to ₱10.47 million was transferred directly to retained earnings.

The movements in the present value of defined obligation follow:

	2025	2024
Balance at beginning of year	**₱150,838,490**	₱186,664,656
Current service cost	**14,905,987**	12,787,065
Interest cost	**9,246,399**	7,994,001
Transfers	**–**	(51,101,656)
Benefits paid	**–**	(6,665,697)
Remeasurement losses (gains) on:		
Experience adjustments	**23,416,090**	2,072,311
Changes in financial assumptions	**(621,835)**	(912,190)
Balance at end of year	**₱197,785,131**	₱150,838,490

The movements in the fair value of the plan asset follow:

	2025	2024
Balance at beginning of year	**₱81,486,715**	₱108,662,563
Contributions	**20,051,710**	18,629,295
Benefits paid	**–**	(6,665,697)
Asset return in net interest cost	**4,995,136**	4,116,048
Transfers	**–**	(37,444,282)
Remeasurement loss on plan assets	**(4,732,688)**	(5,811,212)
Balance at end of year	**₱101,800,873**	₱81,486,715

The major categories and fair value of the plan assets are as follows:

	2025	2024
Investments in:		
Equity securities	**₱75,644,526**	₱46,579,714
Government securities	**25,876,911**	19,819,776
Cash and cash equivalents	**12,987**	12,047,442
Transfer from affiliate	**–**	2,958,786
Receivables	**410,043**	190,282
Accrued trust fees	**(143,594)**	(109,285)
	₱101,800,873	₱81,486,715

The Parent Company expects to contribute ₱20.93 million to its defined benefit retirement plans in 2026.

The Retirement fund (Fund) of the Parent Company is being maintained and managed, in trust, by RCBC Trust and Investment Group (TIG), an affiliate financial institution. The voting rights of the above securities are assigned to RCBC TIG, being the investment manager who manages and administers the investments and reinvestments of the Fund.

Trust fee expenses incurred in relation to the trust role of RCBC in the Fund amounted to ₱494,304, ₱406,957 and ₱636,936 for the years ended December 31, 2025, 2024 and 2023, respectively.

Cash and cash equivalents - includes savings and time deposit with affiliated bank and special deposit account with Bangko Sentral ng Pilipinas (BSP SDA).

Equity investments - include investment in common shares traded in the Philippine Stock Exchange.

Investments in government securities - includes investment in Philippine Retail Treasury Bonds (RTBs) and Fixed Rate Treasury Notes (FXTNs).

Investments in other securities and debt instruments - includes investment in retail bonds from an affiliate financial institution.

Receivables - includes interest receivable from BSP SDA, time deposit, government securities and investments in other securities and debt instruments, and dividends receivable from equity investments

As of December 31, the Parent Company's retirement plan assets include investments in equity securities of the following related parties:

	2025	2024
IPO	**₱38,834,166**	₱43,947,331
Seafront Resources Corporation	**197,648**	159,123
Others	**3,329,291**	2,467,654
	₱42,361,105	₱46,574,108

The Parent Company recognized ₱4.22 million and ₱3.53 million loss in 2025 and 2024 and ₱3.6 million gain in 2023, arising from investments in the shares of stocks of the aforementioned companies.

Based on the actuarial valuation report, the retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities.

Mortality table used for actuarial assumptions was derived from 1994 US Group Annuity Mortality (GAM) Table. Disability table used for actuarial assumptions was derived from 1952 Disability Table.

The principal actuarial assumptions used in determining net retirement asset are as follows:

	2025	2024
Discount rate at end of the year		
Beginning	**6.13%**	6.03%
End	**6.19%**	6.13%
Salary increase rate at end of the year		
Beginning	**6.00%**	6.00%
End	**6.00%**	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 (in millions)**	Increase (decrease)	Effect on defined benefit obligation (in millions)
Discount rates	**+50bps**	**(4,966,460)**	+50bps	(4,353,831)
	-50bps	**5,510,165**	-50bps	4,847,725
Salary increase rates	**+100bps**	**11,373,972**	+100bps	9,727,485
	-100bps	**(9,652,553)**	-100bps	(8,153,444)

The average duration of the defined benefit obligation as of December 31, 2025 is 16 years.

The maturity analysis of the undiscounted benefit payments as of December 31, 2025 and 2024 follow:

	2025	2024
Within one (1) year	**₱99,826,499**	₱39,419,800
After one (1) year but not more than five (5) years	**59,078,815**	87,184,413
More than five (5) years	**789,716,299**	741,587,927
	₱948,621,613	₱868,192,140

26. **Income Taxes**

Provision for income tax consists of:

	2025	2024	2023
Current	**₱24,662,059**	₱12,029,211	₱15,525,472
Final	**1,231,611**	1,263,989	968,504
Deferred	**(427,558)**	405,959	(101,896)
	₱25,466,112	₱13,699,159	₱16,392,080

The provision for current income tax represents regular corporate income tax in 2025 to 2024 and minimum corporate income tax in 2023.

The components of the Parent Company's net deferred tax liabilities are as follows:

	2025	2024
Deferred tax assets (liabilities) recognized in profit or loss:		
Allowance for expected credit losses and inventory obsolescence	**₱21,495,083**	₱24,944,681
Retirement	**28,575,886**	27,363,053
Lease	**9,735,024**	9,735,024
Unamortized portion of past service cost	**865,906**	1,155,607
Unrealized foreign exchange losses	**(435,565)**	60,010
Others	**3,487,409**	3,487,408
	63,723,743	66,745,783
Deferred tax assets (liabilities) recognized in other comprehensive income:		
Remeasurement gain on defined benefit plan	**4,171,611**	(2,710,125)
Revaluation increments on land	**(346,150,500)**	(346,150,500)
	(341,978,889)	(348,860,625)
	(₱278,255,146)	(₱282,114,842)

	2025	2024
Reconciliation of net deferred tax liabilities:		
Balance at beginning of year	**(₱282,114,842)**	(₱284,296,866)
Other adjustments	**(3,449,598)**	–
Tax income (expense) recognized in:		
Profit and loss	**427,558**	(405,959)
Other comprehensive income	**6,881,736**	2,587,983
Balance at end of year	**(₱278,255,146)**	(₱282,114,842)

As of December 31, the Parent Company's MCIT and the years in which it can be claimed as deduction from future taxable income are as follows.

Period of Recognition	Availment Period	Amount	Applied	Expired	Balance
2024	2025-2027	₱3,445,697	₱3,445,697	₱–	₱–

The temporary differences to which no deferred tax assets were recognized in 2022 were recognized in 2023.

The reconciliation between the statutory and effective income tax rates follows:

	2025	2024	2023
Income tax at statutory rate	**25.00%**	25.00%	25.00%
Adjustments for:			
Movement in unrecognized DTA	**–**	–	(2.18)
Gain on sale of investment in subjected to capital gains tax	**(0.23)**	(11.30)	(3.57)
Dividend income exempted from income tax	**(22.83)**	(11.48)	(18.11)
Nondeductible expense and others	**0.95**	0.98	–
Effective income tax rate	**2.89%**	3.20%	1.14%

27. **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, 2024 and 2023 follows:

Common stock
Details of the Parent Company's authorized common stock. as at December 31, 2025, 2024 and 2023 follows:

	2025	2024	2023
Authorized common stock - ₱1.50 par value	**1,470,000,000**	1,470,000,000	1,470,000,000

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 and end of year	**₱1,165,147,926**	**776,765,281**	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281
Issuance	**1,039,255,424**	**692,836,949**	1,039,255,424	692,836,949	1,039,255,424	692,836,949
Treasury stock	**(2,607,600)**	**(300,000)**	(2,607,600)	(300,000)	(2,607,600)	(300,000)
	₱2,201,795,750	**1,469,302,230**	₱2,201,795,750	1,469,302,230	₱2,201,795,750	1,469,302,230

On November 22, 2024, the Parent Company approved the reversal of the appropriation for the planned investment and business expansion amounted to ₱3.50 billion.

On August 8, 2025 and August 9, 2024, the Parent Company approved the dividend declaration to common stockholders, 1.47 billion shares at ₱0.18 and ₱0.05 per share, respectively.

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.

As disclosed in Note 10, the SEC approved the application for increase in authorized capital stock and the valuation of 619,420,391 common shares issued by the Parent Company in relation to the share swap agreement between the Parent Company and GPLHI and PMMIC. 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.

On May 24, 2013, the Parent Company repurchased 300,000 shares held as treasury stock at ₱8.69 per share for ₱2.61 million.

In 2025 and prior years, the Parent Company’s preferred shares have the following features:

a) Entitled to dividends at the rate of average 91-day T-Bill plus two percent;
b) Fully participating as to distribution of dividends;
   - Convertible into common shares at the option of the holders thereof from the date of issue at the conversion rate of 3 and 3/4 preferred shares to 1 common share for a price of ₱1.50 per common share subject to adjustments;
c) Redeemable at any one time or from time to time, at the option of the BOD of the Parent Company, subject to availability of funds; and
d) With voting rights and preferences as to assets upon dissolution of the Parent Company over common shareholders.

Below is the summary of the outstanding number of shares and holders of security as at December 31, 2025:

Common Shares:		
January 1, 2023	1,469,302,230	372
Movement	–	–
December 31, 2023	1,469,302,230	372
Movement	–	(5)
December 31, 2024	1,469,302,230	367
Movement	–	(4)
December 31, 2025	**1,469,302,230**	**363**

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 at an offer price of ₱10.0 per share. Total number common shareholders is 363 and 367 as of December 31, 2025 and 2024, respectively

28. Fair Value of Financial Instruments and Financial Risk Management Objectives and Policies

Fair Value of Financial Instruments
The carrying values of the Parent Company's financial instruments approximate their fair values due to short-term maturities and demand feature except for equity investments at FVOCI as discussed below:

Equity investments at FVOCI
Fair values of investments in equity shares listed with Philippine Stock Exchange amounting to ₱616.25 million and ₱745 million as of December 31, 2025 and 2024, respectively, were determined by reference to the quoted price in the stock exchange at the end of the reporting period (Level 1 - Quoted prices in active market).

Fair values of investments in club/golf shares amounting to ₱21.0 million and ₱23.0 million as of December 31, 2025 and 2024, respectively, were determined by reference to the price of the most recent transaction at the end of the reporting period (Level 2 - Significant observable inputs). 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.

Financial Risk Management Objectives and Policies
The Parent Company manages and maintains its own portfolio of financial instruments in order to fund its operations and capital expenditures. Inherent in using these financial instruments are the following risks on liquidity, equity price, foreign currency and credit.

The Parent Company's risk management policies are summarized below:

a. *Liquidity risk*
The Parent Company 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 Parent Company regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Parent Company intends to use internally generated funds and available short-term and long-term credit facilities. Credit lines are obtained from BOD-designated banks at amounts based on financial forecasts approved by BOD. As at December 31, 2025 and 2024, the Parent Company has available credit facilities with banks aggregating ₱9.70 billion and ₱10.99 billion, respectively.

The tables below summarize the maturity profile of the Parent Company's financial liabilities as of December 31 based on contractual undiscounted payments.

	2025				
	On demand	**Less than 6 months**	**6 months to 1 year**	**More than 1 year**	**Total**
Financial Liabilities					
Accounts payable and other current liabilities*	**₱160,091,997**	**₱–**	**₱–**	**₱–**	**₱160,091,997**
Loans payable**	–	**809,058,542**	–	–	**809,058,542**
Other noncurrent liabilities	–	–	–	**9,053,335**	**9,053,335**
	₱160,091,997	**₱809,058,542**	**₱–**	**₱9,053,335**	**₱978,203,874**

**Excludes statutory liabilities*
***Including future interest*

	2024				
	On demand	Less than 6 months	6 months to 1 year	More than 1 year	Total
Financial Liabilities					
Accounts payable and other current liabilities*	₱346,866,642	₱–	₱–	₱–	₱346,866,642
Loans payable**	–	538,735,000	–	–	538,735,000
Other noncurrent liabilities	–	–	–	12,803,330	12,803,330
	₱346,866,642	₱538,735,000	₱–	₱12,803,330	₱898,404,972

**Excludes statutory liabilities*
***Including future interest*

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 foreign currency exchanges rates, commodity prices, equity prices and other market changes.

Equity price risk
The Parent Company'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 FVOCI.

Equity investments at 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.

	2025		2024	
Market Index	**Change in variable**	**Effect on equity**	Change in variable	Effect on equity
PSE	**11.56%**	**73,675,239**	9.96%	74,248,708
	(11.56%)	**(73,675,239)**	(9.96%)	(74,248,708)
Others	**16.65%**	**3,495,484**	15.31%	3,520,191
	(16.65%)	**(3,495,484)**	(15.31%)	(3,520,191)

The percentage of increase and decrease in market price is based on the movement in the PSE Index and other market index from beginning to end of the year.

Foreign currency risk
The Parent Company's foreign exchange risk results primarily from movements in the prevailing exchange rate between the Philippine Peso (PHP) and the United States Dollar (USD). The revenues and the operating expenses of the Parent Company are denominated in PHP. However, the Parent Company maintains certain deposits with banks which are denominated in USD.

The Parent Company's foreign currency denominated financial instruments (translated in Philippine Peso) as of December 31 is as follows:

	2025		2024	
	Original Currency	**Peso Equivalent**	Original Currency	Peso Equivalent
Cash and cash equivalents	**$2,407,949**	**₱141,370,668**	$1,424,406	₱79,140,027

The prevailing exchange rates used as of December 31, 2025 and 2024 were ₱58.71 to $1 and ₱57.86 to $1, respectively.

The Parent Company closely monitors the daily movements in the USD/PHP exchange rate and makes regular assessments of future foreign exchange movements, based also, in part, on its analysis of other macroeconomic indicators. The Parent Company then manages the balance of its USD-denominated deposits based on this assessment.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar rate, with all variables held constant, of the Parent Company's profit before tax (due to changes in the fair value of the foreign currency denominated monetary assets) as of December 31, 2025 and 2024.

Effect on profit before tax	**2025**
USD strengthens by 5.50%	**₱7,890,773**
USD weakens by 5.50%	**(7,890,773)**

Effect on profit before tax	2024
USD strengthens by 5.22%	₱4,302,947
USD weakens by 5.22%	(4,302,947)

Interest rate risk
The Parent Company's exposure to market risk for changes in interest rates relates primarily to the Parent Company's short-term and long-term obligations.

In order to effectively manage its interest rate risk and its financing costs, the Parent Company closely monitors the movements of interest rates, as well as, economic factors affecting the trends of these movements. In certain cases, depending on its assessment of future movements of interest rates, the Parent Company would pre-terminate its debt and obtain a new loan facility which provides for either floating or fixed interest rates. This is intended to minimize its financing costs.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Parent Company's profit before tax (through the impact on floating rate borrowings):

	2025		2024	
	Increase/decrease in basis points	**Effect on profit before tax**	Increase/decrease in basis points	Effect on profit before tax
Peso floating rate borrowing	**+767**	**17,581,684**	+506	3,641,906
	-767	**(17,581,684)**	-506	(3,641,06)

The sensitivity analyses shown above for peso floating borrowings are based on the assumption that interest rate movements will be more likely be limited to a seven hundred sixty seven (767) and five hundred six (506) basis points upward or downward fluctuation in 2025 and 2024, respectively. The forecasted movements in percentages of interest rates used were sourced by management from an affiliated bank. These are forecasted movements in the next twelve (12) months. The effect on the Parent Company's income statement before tax is computed on the carrying value of the Parent Company's floating rate payables as at December 31, 2025 and 2024.

c. *Credit risk*
The Parent Company'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 Parent Company. The Parent Company manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Parent Company'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 Parent Company does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from receivables, the Parent Company's exposure to credit risk arises from default of the counterparty, with a gross maximum exposure equal to the carrying amount of this financial asset.

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.

The table below shows the credit quality of the Parent Company's financial assets as of December 31:

	2025		
	Neither past due nor impaired		
	High Grade	Standard Grade	Total
Cash and cash equivalents			
Cash in banks	₱9,481,400	₱–	₱9,481,400
Short-term investments	244,029,329	–	244,029,329
Accounts receivable:			
Receivables from:			
Trade	14,792,224	–	14,792,224
Due from related parties	841,838,262	–	841,838,262
Advances to officers and employees	7,341,375	–	7,341,375
Receivable from plant	19,519	–	19,519
Accrued referral incentives	1,699,726	–	1,699,726
Other receivables:	38,708,266	–	38,708,266
Dividend receivable	50,600,000	–	50,600,000
	₱1,208,510,101	₱–	₱1,208,510,101

	2024		
	Neither past due nor impaired		
	High Grade	Standard Grade	Total
Cash and cash equivalents			
Cash in banks	₱18,581,434	₱–	₱18,581,434
Short-term investments	137,644,815	–	137,644,815
Accounts receivable:			
Receivables from:			
Trade	206,271,838	–	206,271,838
Due from related parties	43,256,620	–	43,256,620
Advances to officers and employees	5,295,231	–	5,295,231
Advances to suppliers	264,756	–	264,756
Insurance receivable	1,269,718	–	1,269,718
Other receivables:	37,125,889	–	37,125,889
Dividend receivable	50,500,147	–	50,500,147
	₱500,210,448	₱–	₱500,210,448

The Company sets financial assets as ‘high grade’ based on the Company’s positive collection experience. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. On the other hand, ‘standard grade’ are those which have credit history of default in payments.

Credit Quality
Cash in banks and cash equivalents
Cash and cash equivalents - are composed of bank deposits and money market placements made with reputable financial institutions duly approved by the BOD and hence, graded as “high grade”.

Credit risk from balances with banks and financial institutions is managed by the Parent Company’s treasury department in accordance with the Parent Company’s policy. No expected credit losses were recognized in 2025 and 2024.

Receivables
Due from related parties and dividends receivables - pertain to receivables from profitable related parties with good payment record with the Parent Company and hence, graded as “high grade”. the credit risk is minimal since these are recoverable from related parties. The Company assessed that the risk of default is low and there is no significant increase in credit risk.

Trade - high grade pertains to receivables from fleet customers and financing companies and standard grade pertains to receivables from individuals and other small and medium-sized entities.

Receivables, other than trade - high grade pertains to receivables with no default on payment while standard grade pertains to receivables with more than one (1) default on payment.

The Parent Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Capital management

The main thrust of the Parent Company'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 Parent Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Parent Company 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.

The Parent Company monitors its use of capital and capital adequacy by using leverage ratios, specifically, debt ratio (total debt/total equity and total debt), debt-to-equity ratio (total debt/total equity) and net debt-to-equity (net debt/total equity). Included as debt are the Parent Company's total liabilities while equity pertains to total equity as shown in the parent company statement of financial position.

The table below shows the leverage ratios of the Parent Company as of December 31:

	2025	2024
Loans payable	**₱805,000,000**	₱506,000,000
Other noncurrent liabilities	**9,053,335**	12,803,335
Total debt	**814,053,335**	518,803,335
Less cash and cash equivalents	**253,537,729**	156,253,249
Net debt	**560,515,606**	362,550,086
Total Equity	**₱25,567,348,184**	₱25,107,354,400
Debt to equity	**0.03:1**	0.02:1
Net debt to equity	**0.02:1**	0.01:1

There were no changes made in the Parent Company's capital management, objectives, policies or processes in 2025 and 2024.

29. Leases

The Parent Company's car divisions lease parcels of land where their respective sales office, administrative and warehouse buildings were constructed and are currently located. The leases are non-cancellable which have terms cover lease periods of between three (3) to ten (10) years with escalation rates ranging from 3.0% to 10%. During 2024, this parcel of land was reclassified to Investment Property.

Future minimum lease payments of lease agreements as of December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
Within one year	**₱–**	₱–	₱40,443,048
After one year but not more than five years	–	–	82,341,276
More than five years	–	–	–
	₱–	₱–	₱122,784,324

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Balance at beginning of year	**₱–**	₱62,665,714	₱116,949,347
Amortization of right-of-use asset (Note 24)	–	(20,671,625)	(30,838,306)
Effect of lease modification	–	(5,044,149)	(23,445,327)
Addition (derecognition)	–	(36,949,940)	–
	₱–	₱–	₱62,665,714

The following are the amounts recognized in the parent company statement of comprehensive income for the years ended December 31, 2025, 2024 and 2023:

	2025	2024	2023
Amortization of right-of-use asset (Note 24)	**₱–**	₱20,671,625	₱30,838,306
Interest expense on lease liabilities (Note 24)	–	5,467,466	7,148,677
	₱–	₱26,139,091	₱37,986,983

Amortization in 2025 and 2024 is charged to the following accounts (Note 24):

	2025	2024
Cost of sales and services	**₱–**	₱–
Selling and administrative expenses	–	20,671,625
	₱–	₱20,671,625

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱–**	₱72,060,463
Interest expense	–	5,467,466
Payments	–	(21,766,692)
Effect of lease modification	–	1,001,630
Addition (derecognition)		(56,762,867)
Total lease liability	–	–
Less current portion of lease liability	–	–
Lease liability - net of current portion	**₱–**	₱–

The Parent Company's lease contract includes renewal option. Management exercises significant judgement in determining whether the renewal option is reasonably certain to be exercised (Note 5).

In 2024, the lease contracts of the Parent Company were assigned to HCI (see Note 32).

30. Contingent Liabilities

The Parent Company has no contingent liabilities arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. The information required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed until final settlement, on the ground that it might prejudice the Parent Company's position.

31. Retained Earnings

The BOD declared cash dividends in 2025 and 2024 as follows:

		Amount per share			
Date of BOD Approval	**Amount**	**Preferred Shares**	**Common Shares**	**Record Date**	**Payment Date**
August 8, 2025	₱264,474,402	₱–	₱0.18	August 27, 2025	September 4, 2025
August 9, 2024	₱73,465,111	₱–	₱0.05	August 27, 2024	September 6, 2024

On November 22, 2024, the Parent Company approved the reversal of the appropriation for the planned investment and business expansion amounted to ₱3.50 billion.

On November 24, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱1.20 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three years.

On April 12, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱0.50 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three years.

The retained earnings of the Parent Company that are available for dividend declaration amounted to ₱5.77 million and ₱5.27 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.

32. Operating Segment Information

For management purposes, the Parent Company is organized into business units based on the products and services it provides, which comprise of two main groups as follows:

Cars Division - consists of revenues mainly from Honda Cars Quezon City, Honda Cars Manila, Honda Cars Tandang Sora, Isuzu Manila, Isuzu Commonwealth, and Isuzu Tacloban. In 2024, assets and liabilities of the Parent Company in relation to cars business were transferred to its wholly owned subsidiary, HCI (see Note 32). The cars/automotive business of the Group have been centralized to HCI.

Head Office - represents operations of the Parent Company.

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 arms-length transactions.

Segment reporting is consistent in all periods presented as there are no changes in the structure of the Parent Company's internal organization that will cause the composition of its reportable segment to change.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Parent Company has no significant external customer which contributes 10.0% or more to the revenue of the Parent Company.

(Amounts in Millions)

	Cars Division			**Head Office**			**Elimination**			**Combined**		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Revenue												
Income from external customers	**₱–**	₱2,540	₱4,366	**₱406**	₱293	₱267	**₱–**	₱–	₱–	**₱406**	₱2,833	₱4,633
Intersegment sales	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue	**₱–**	₱2,540	₱4,366	**₱406**	₱293	₱267	**₱--**	₱–	₱–	**₱406**	₱2,833	₱4,633
Provision for income tax	**(₱–)**	(₱6)	(₱19)	**(24)**	(₱6)	₱4	**(₱–)**	(₱–)	(₱–)	**(24)**	(₱12)	(₱15)
Net Income (Loss)	**₱–**	₱67	₱37	**₱–**	₱338	₱1,370	**₱–**	₱–	₱–	**₱–**	₱405	₱1,407
Other Information												
Segment assets	**₱–**	₱1,952	₱3,065	**₱26,925**	₱24,382	₱24,277	**₱–**	₱–	₱–	**₱26,925**	₱26,334	₱27,342
Segment liabilities	–	195	412	**1079**	751	1,708	–	–	–	**1079**	946	2,120
Deferred tax liabilities	–	–	341	**278**	282	(57)	–	–	–	**278**	282	284
Cash flows arising from:												
Operating activities	–	91	(119)	**52**	224	103	–	–	–	**52**	332	(16)
Investing activities	–	25	(703)	**685**	85	520	–	–	–	**685**	110	(183)
Financing activities	–	(145)	814	**(764)**	(320)	(477)	–	–	–	**(764)**	(465)	337
Interest expense	–	13	36	**19**	53	67	–	(13)	(29)	**19**	53	74
Capital expenditures	–	–	–	**21**	1,589	1,995	–	–	–	**21**	1,589	1,995
Depreciation and amortization	–	15	53	**14**	9	9	–	–	–	**14**	24	62

**Segment liabilities exclude deferred tax liabilities*

Transfer of Cars Division

On June 30, 2024, the following assets and liabilities were transferred from the Parent Company to HCI, a wholly owned subsidiary:

Account	Mode of assignment	Transferred to HCI
Receivables	Deed of assignment	₱51,673,110
Inventories	Invoicing	286,724,164
Prepayments, excluding taxes related	Deed of assignment	25,056,965
Property and equipment, including software	Invoicing	109,011,236
Right-of-use-assets	Deed of assignment	116,429,648
Total assets		₱588,895,123

Account	Mode of assignment	Transferred to HCI
Accounts payable and other current liabilities	Deed of assignment	₱63,282,663
Due to (from) related parties	Deed of assignment	–
Lease liabilities	Deed of assignment	164,114,540
Retirement liability	Deed of assignment	21,024,287
Total liabilities		₱248,421,490
Total net assets transferred		₱340,473,633
Consideration payable of HCI		(388,158,525)
Excess of consideration payable over the net assets		(₱47,684,892)

33. **Earnings Per Share**

Basic earnings per share

	2025	2024	2023
Net income	**₱855,291,220**	₱414,707,781	₱1,426,905,278
Less dividends attributable to preferred shares	**–**	–	–
Net income applicable to common shares	**855,291,220**	414,707,781	1,426,905,278
Divided by the weighted average number of common shares (Note 28)	**1,469,302,230**	1,469,302,230	1,469,302,230
Basic earnings per share	**₱0.5821**	₱0.2822	₱0.9711

Diluted earnings per share

	2025	2024	2023
Net income applicable to common stockholders for basic earnings per share	**₱855,291,220**	₱414,707,781	₱1,426,905,278
Net income applicable to common stockholders for diluted earnings per share	**₱855,291,220**	₱414,707,781	1,426,905,278
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	**₱0.5821**	₱0.2822	₱0.9711

There are no outstanding convertible preference shares as at December 31, 2025, 2024 and 2023, thus, basic and diluted EPS are stated at the same amount.

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	1,469,602,230
Less treasury shares	**300,000**	300,000	300,000
	1,469,302,230	1,469,302,230	1,469,302,230

34. Other Matters

Changes in Liabilities Arising from Financing Activities

	2025			
	January 1, 2025	**Net cash flows**	**Non-cash movement**	**December 31, 2025**
Loans payable (Note 15)	**₱506,000,000**	**₱299,000,000**	**₱–**	**₱805,000,000**

	2024			
	January 1, 2024	Net cash flows	Non-cash movement	December 31, 2024
Loans payable (Note 15)	₱1,456,642,021	(₱950,642,021)	₱–	₱506,000,000
Lease liabilities (Note 29)	105,978,208	–	105,978,208	–
	₱2,353,336,187	₱(1,741,357,979)	₱105,978,208	₱506,000,000

35. Supplementary Information Required Under Revenue Regulations 15-2010

The Parent Company reported and paid the following types of taxes for the year ended December 31, 2025.

Value-Added Tax (VAT)

a. Output VAT

The Parent Company is a VAT-registered company with VAT output tax declaration of ₱58,429,457 for the year based on taxable sales of ₱486,912,144.

The amount of Input VAT claimed during the year is broken down into:

	Amount
Balance at January 1	₱348,173
Current year's domestic purchases/payments for:	
Goods for resale and other than for resale or manufacture	–
Services lodged under cost of goods sold and under other accounts	8,542,214
Capital goods subject to amortization	–
Capital goods not subject to amortization	3,522,755
	12,413,142
Application against output VAT	12,307,072
Balance at December 31	₱106,070

Taxes and Licenses

	Amount
BIR tax assessment	₱7,184,383
Documentary stamp tax	2,652,669
Local business tax	2,437,728
Real property tax	1,919,833
Others taxes and licenses	615,749
Total	₱14,810,362

Withholding Taxes
The amount of withholding taxes paid/accrued for the year amounted to:

	Amount
Withholding taxes on compensation and benefits	₱51,782,397
Final tax	5,903,307
Expanded withholding taxes	2,889,001
Fringe benefit tax	2,477,748
Withholding taxes on VAT	1,040,895
Total	₱64,093,348

Tax Assessments and Cases
A tax case involving the Parent Company's 2016 assessment of ₱158.57 million is still pending before the Court of Tax Appeals (CTA). On March 1, 2024, the Parent Company submitted its evidence and completed its presentation.

On May 14, 2024, the CTA ordered the lifting of the Warrant of Distraint and/or Levy issued against the Parent Company. The BIR then filed a Motion for Reconsideration on May 29, 2024, however, this was denied by the CTA on July 29,2025. Thereafter, on October 10, 2025, the BIR filed a Petition for Certiorari under Rule 65 of the Rules Court with the Supreme Court questioning the denial of their Motion for Reconsideration.

As to the main case, both parties have filed their respective Memoranda and the CTA has issued a Resolution on September 18, 2025, submitting the case for decision.

On May 14, 2025, the Parent Company received the Preliminary Assessment Notice dated May 14, 2025 for various taxes for the taxable year 2021, amounting to ₱10,052,081, including penalties and interest. The Parent Company paid the full amount. On June 17, 2025, the BIR issued a Termination Letter confirming that the tax audit for 2021 is now officially closed.

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)	–	–
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)	–	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		–
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)	–	

Sub-total		–
Add: <u>Category C.3</u>: 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: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add: <u>Category E</u>: 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): <u>Category F</u>: 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
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*

Outlook

Fwd: Your BIR AFS eSubmission uploads were received

From Sharon Fabi <hisofabi@gmail.com>
Date Mon 5/4/2026 7:43 PM
To Katrina Shanen Pentinio <klpentinio@hoi.com.ph>; Sharon Fabi <sofabi@hoi.com.ph>

---------- Forwarded message ---------
From: <eafs@bir.gov.ph>
Date: Mon, May 4, 2026 at 7:40 PM
Subject: Your BIR AFS eSubmission uploads were received
To: <HISOFABI@gmail.com>
Cc: <HISOFABI@gmail.com>

Hi HOUSE OF INVESTMENTS INC,

Valid files

- EAFS000463069TCRTY122025-02.pdf
- EAFS000463069OTHTY122025.pdf
- EAFS000463069TCRTY122025-03.pdf
- EAFS000463069TCRTY122025-01.pdf
- EAFS000463069AFSTY122025.pdf
- EAFS000463069ITRTY122025.pdf
- EAFS000463069RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-3T14RZWN0HB999ECQRWWMY2N0FJ9JJH5**
Submission Date/Time: **May 04, 2026 07:40 PM**
Company TIN: **000-463-069**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

Outlook

Fwd: SEC eFast Initial Acceptance

From Sharon Fabi <hisofabi@gmail.com>
Date Mon 5/4/2026 8:02 PM
To Katrina Shanen Pentinio <klpentinio@hoi.com.ph>; Sharon Fabi <sofabi@hoi.com.ph>

---------- Forwarded message ---------
From: <noreply-cifssost@sec.gov.ph>
Date: Mon, May 4, 2026 at 7:58 PM
Subject: SEC eFast Initial Acceptance
To:

Dear **HOUSE OF INVESTMENTS, INC.**,

Greetings!

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.

SEC Registration No: 0000015393
Company Name: HOUSE OF INVESTMENTS, INC.
Document Code: AFS

A separate email will be sent as proof of review and/or final acceptance.

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

REMINDER:
TO ALL FILERS OF REPORTS IN THE e-FAST

Please strictly follow the instructions stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer: 1. General Information Sheet (GIS-Stock); 2. General Information Sheet (GIS-Non-stock); 3. General Information Sheet (GIS- Foreign stock & non-stock); 4. Broker Dealer Financial Statements (BDFS); 5. Financing Company Financial Statements (FCFS); 6. Investment Houses Financial Statements (IHFS); 7. Publicly – Held Company Financial Statement; 8. General Form for Financial Statements; 9. Financing Companies Interim Financial Statements (FCIF;) 10. Lending Companies Interim Financial Statements (LCIF).

Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFAST, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the report's rejection in the remarks box.

Annex "E"

HOUSE OF INVESTMENTS, INC.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
OF MARCH 31, 2026 AND DECEMBER 31, 2025 AND
THREE MONTHS ENDED MARCH 31, 2026, 2025, AND 2024

HOUSE OF INVESTMENTS

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 Y. 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
AFFIANT EXHIBITED TO ME HIS / HER.

Signed this 13th day of April 2026

Doc. No. 64
Page No. 15
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. 77752 / MCLE Compliance No. VIII-0002331
UNTIL APR. 14, 2028
IBP OR. NO. 583906 JAN. 2, 2026 / MAKATI CHAPTER
PTR NO. 10705522 – JAN. 5, 2026
UNIT 2-B2 TRANS-PHIL HOUSE, 1177 DON CHINO ROCES AVE., COR. BAGTIKAN ST., SAN ANTONIO, MAKATI

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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 considerate 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
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)			
Items to be reclassified to profit or loss in subsequent periods:			
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)
Items not to be reclassified to profit or loss in subsequent periods:			
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												
	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**	**Non-controlling interests** (Note 39)	**Total**
As at January 1, 2025	**₱2,201,795,746**	**₱14,808,241,606**	**(₱806,224,306)**	**₱3,779,148,385**	**₱47,177,851**	**(₱352,644,065)**	**(₱13,652,322)**	**(₱59,802,377)**	**₱11,813,200,762**	**₱1,700,000,000**	**₱33,117,241,280**	**₱19,756,668,041**	**₱52,873,909,321**
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	**₱2,201,795,746**	**₱14,808,241,606**	**(₱806,224,306)**	**₱4,251,766,552**	**₱52,070,669**	**₱74,098,492**	**₱34,071,172**	**(₱88,078,445)**	**₱13,719,852,267**	**₱1,700,000,000**	**₱35,947,593,753**	**₱21,643,066,343**	**₱57,590,660,096**
As at January 1, 2024	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,912
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	₱2,201,795,746	₱14,808,241,606	(₱806,224,306)	₱3,779,148,385	₱47,177,851	(₱352,644,065)	(₱13,652,322)	(₱59,802,377)	₱11,813,200,762	₱1,700,000,000	₱33,117,241,280	₱19,756,668,041	₱52,873,909,321
As at January 1, 2023	₱1,162,540,326	₱154,578,328	₱1,932,007,449	₱2,218,473,182	₱352,101,517	₱111,000,523	₱–	(₱14,062,367)	₱4,944,402,862	₱7,505,355,000	₱18,366,396,820	₱17,497,986,435	₱35,864,383,255
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	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,912

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	**₱–**	₱–	(₱213,650,000)
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)	**₱7,892,968,769**	₱8,293,005,389	₱6,633,047,805

See accompanying 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 Direct	2025 Indirect	2024 Direct	2024 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
EEI Corporation (EEI) [(a)]	Philippines	Construction	Philippine Peso	**–**	**–**	–	–
iPeople, inc. (IPO) [(f)]	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. (MCMI)	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 (RTrust)[(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 EEI Corporation (EEI) for a consideration of ₱1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signified loss of control over the subsidiary. This transaction resulted to deconsolidation of EEI and its subsidiaries. On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI which further reduced the holdings of the Parent Company to 21%.. As of December 31, 2023, 16.5% of interest in EEI 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 EEI 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 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 ₱800.0 million for a 100% stake in Tarlac Terra Ventures, Inc.
(e) In April 2023, the Parent Company invested ₱40.0 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:
  - 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.
  - 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.

<u>Standards Issued But Not Yet Effective</u>
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:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - 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.

<u>Expenses</u>
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 assets’ 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:

	Number of Years
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 ease 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 contact 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 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 or 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.

<u>Estimates</u>
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
Gain on bargain purchase		₱1,087,235,418

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	(₱945,354,003)
Gain on bargain purchase	1,087,235,418
Net loss on disposal of investment	₱141,881,415

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.

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
Deconsolidated Operations		
Revenue	5,181,488,858	₱14,426,606,321
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	(₱247,702,593)	₱236,601,852
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	(₱426,307,138)	₱166,789,425

**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	(₱759,439,533)	(₱727,804,083)
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	(₱426,307,138)	₱166,789,425
Weighted average number of common shares	1,469,302,230	776,465,281
Earnings (loss) per share - basic/diluted	(₱0.2901)	₱0.2148

8. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	**₱3,535,397,112**	₱4,876,274,485
Cash equivalents	**4,357,571,657**	3,416,730,904
	₱7,892,968,769	₱8,293,005,389

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 ₱186.82 million, ₱166.11 million and, ₱114.55 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	**₱7,283,342,187**	₱8,097,428,126
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
	₱10,476,842,735	₱11,262,666,490

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	**₱4,527,912,275**	₱5,631,795,447
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)
	₱7,202,372,871	₱8,006,207,316

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					
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Due from policyholders, agents and brokers and Premiums d 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					
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Due from policyholders, agents and brokers and Premiums d 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					
	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	Total
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					
	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	Total
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						
	Financial Services		**Car Dealership**	**Education ***	**Other Services**	**Other Receivables**	**Total**
	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						
	Financial Services		Car Dealership	Education *	Other Services	Other Receivables	Total
	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
Current		
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
Noncurrent		
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			
	Level 1	**Level 2**	**Level 3**	**Total**
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			
	Level 1	Level 2	Level 3	Total
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	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*	
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
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	Duration since bond is not zero coupon
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
Coupon	6.90	
Fixed Income Value	91.26%	

	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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*
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	*Duration since bond is not zero coupon*	
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	*Duration since bond is not zero coupon*	
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	*Duration since bond is not zero coupon*	
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	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*	
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	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*	
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	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	97.97%		
	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*
Coupon7.15Bloomberg 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%

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	*Duration since bond is not zero coupon*
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%

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	*Duration since bond is not zero coupon*
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%

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	*Duration since bond is not zero coupon*
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%

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	**(₱352,644,065)**	(₱47,667,218)
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	**₱74,098,492**	(₱352,644,065)
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
	₱854,869,107	(₱397,696,686)

Dividend earned from equity investments at FVOCI amounted to ₱5.07 million, ₱7.26 million, and ₱0.82 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	**₱5,013,472,605**	₱4,113,571,760
Private debt securities	**268,611,815**	265,730,379
	₱5,282,084,420	₱4,379,302,139

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 ₱337.38 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
Acquisition cost:		
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)
Accumulated equity in net earnings:		
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
Share in other comprehensive gain (loss) of an associate:		
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

<u>EEI</u>

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
Cost:		
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
Accumulated depreciation:		
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
Angliongto Sr., Davao City	Market Approach	Price per square meter	**P72,000/sq.m to P84,645/sq.m**	₱72,000/sq.m to P84,645/sq.m
Bacolod, Negros Occidental*	Market Approach	Price per square meter	–	₱42,075/sq.m to P56,100/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
Cost		
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
Accumulated Depreciation and Amortization		
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					
	Buildings and Improvements	**Machinery, Tools and Construction Equipment**	**Transportation and Service Equipment**	**Furniture, Fixtures, and Office Equipment**	**Construction in Progress**	**Total**
Cost						
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**
Accumulated Depreciation and Amortization						
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					
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	Total
Cost						
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
Accumulated Depreciation and Amortization						
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	**₱10,095,175,749**	**₱6,060,180,353**	**₱4,034,995,396**
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	**₱22,288,627,048**	**₱11,354,431,818**	**₱10,934,195,230**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 10)	Net
Provision for claims reported and loss adjustment expenses	₱9,813,511,806	₱6,647,745,178	₱3,165,766,628
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	₱29,144,289,801	₱18,355,961,194	₱10,788,328,607

a. *Claims reported and IBNR*

This account consists of:

	2025	2024
Provision for claims reported and loss adjustment	**₱10,095,175,749**	₱9,813,511,806
Provision for IBNR	**2,440,431,497**	8,305,004,225
Total claims reported and IBNR	**₱12,535,607,246**	₱18,118,516,031

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
		88,326	12,500		
	2024				

(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 contacts	**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

<u>Disaggregation of Revenue from Sale of Goods</u>

	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

<u>Disaggregation of Revenue from School and Related Operations:</u>

	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:

Net retirement liabilities	**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

Net retirement assets	**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:

Minimum Net worth	**Compliance Date**
₱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.llThe 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.lThe 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.l

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 prompt 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**	**₱6,539,877,141**	**₱3,466,222,432**
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**
	₱12,535,607,246	**₱7,645,495,129**	**₱4,890,112,117**

	2024		
	Gross	Reinsurers' Share	Net
Fire	₱15,223,742,034	₱12,280,475,827	₱2,943,266,207
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
	₱18,118,516,031	₱13,693,992,453	₱4,424,523,578

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

Accident year	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

Accident year	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.

	2025		2024	
Market Index	**Change in variable**	**Effect on equity**	Change in variable	Effect on equity
PSE	**15.00%**	**269,998,360**	9.78%	182,516,284
	(15.00%)	**(269,998,360)**	(9.78%)	(182,516,284)
Others	**15.00%**	**143,432,717**	15.00%	115,096,913
	(15.00%)	**(143,432,717)**	(15.00%)	(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**		
	High Grade	**Standard Grade**	**but not impaired**	**Impaired**	**Total**
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		
	High Grade	Standard Grade	but not impaired	Impaired	Total
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				
		Days past due				
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**>90 days**	**Total**
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				
		Days past due				
	Current	1-30 days	31-60 days	61-90 days	>90 days	Total
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			
	US Dollars	**Euro**	**Others**	**Total**
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) 2025	Change in rate	Impact on income before tax increase (decrease) 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:

		2025			
	Interest Rate	**Within one year**	**1-3 years**	**More than 3 years**	**Total**
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**

		2024			
	Interest Rate	Within one year	1-3 years	More than 3 years	Total
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 Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
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**
Assets for which fair values are disclosed:				
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 Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
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
Assets for which fair values are disclosed:				
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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

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

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

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

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
Seafront 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
Seafront Resources	4,154,000	9,803,440	9,803,440	-
Seafront 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 Servic	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	198,664,544	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

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
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 US00206RJH66	447,000	23,447,817	398,840	973
AT&T Inc US00206RMX79	20,000	1,195,048	20,327	543
AT&T Inc US00206RJZ64	180,000	8,344,171	141,932	525
General Motors Co US37045VBA70	700,000	42,901,591	729,743	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)
EEI 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
Seafront 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
Honda Cars, Inc.					
Due from affiliates	–	86,466,585	(77,756,207)	–	8,710,378
	–	86,466,585	(77,756,207)	–	8,710,378
Landev Corporation					
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
La Funeraria Paz Sucat, Inc.					
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
Greyhounds Security and Investigation Agency Corporation					
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
Hexagon Lounge, Inc.					
Due from affiliates	–	61,264	–	–	61,264
	–	61,264	–	–	61,264
Secon Professional					
Due from affiliates	–	149,900	(108,364)	–	41,536
	–	149,900	(108,364)	–	41,536
Investment Managers, Inc.					
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
ATYC, Inc.					
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

(Forward)

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
San Lorenzo Ruiz Investment Holdings and Services, Inc.					
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
iPeople, inc. and subsidiaries					
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
MICO Equities, Inc. and subsidiaries					
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
RCBC Trust Corporation					
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: Category A: 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)	–	–
Less: Category B: 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)	–	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: Category C.1: 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		–
Add: Category C.2: 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)	–	
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

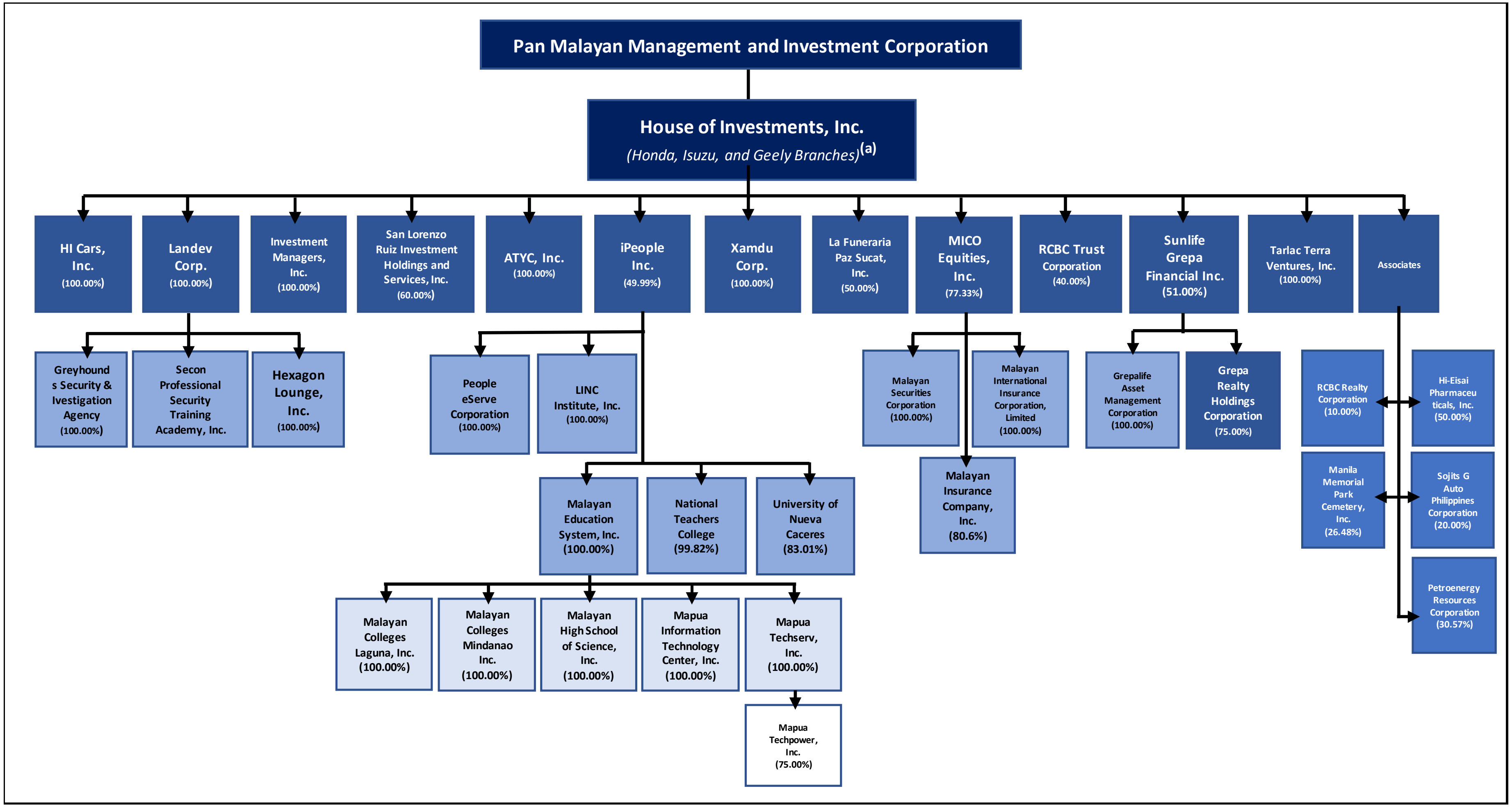
Below are the financial ratios that are relevant to the Group for the years ended December 31, 2025 and 2024:

Financial ratios		**2025**	2024
Current ratio	Current assets / Current liabilities	**0.87:1**	0.91:1
Solvency ratio	Net income plus depreciation / Total liabilities	**0.04:1**	0.03:1
Debt to equity ratio	Total liabilities / Total equity	**2.05:1**	2.17:1
Asset-to-equity ratio	Total assets / Total equity	**3.05:1**	3.17:1
Interest rate coverage	EBIT* / Interest expense	**8.82:1**	6.21:1
Return on assets	Net income / Average total assets	**2.14%**	1.64%
Return on equity	Net income / 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*