

COVER SHEET

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S.E.C. Registration Number

H	O	U	S	E		O	F		I	N	V	E	S	T	M	E	N	T	S		I	N	C	.					
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(Company’s Full Name)

9	/	F	L	O	O	R		G	R	E	P	A	L	I	F	E		B	U	I	L	D	I	N	G		2	2	1
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(Business Address: No. Street City/ Town/ Province)

Atty. Lalaine P. Monserate																													
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Contact Person

8815-9636									
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Company Telephone Number

1	2
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Month
Fiscal Year

3	1
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Day

SEC FORM 20 - IS (DEFINITIVE)																			
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FORM TYPE

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Month
Annual Meeting

0	8
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Day

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

	Total Amount of Borrowings																			
	Domestic										Foreign									

Total No. Of Stockholders

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

STAMPS																			
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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 8, 2025 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 9, 2024
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
6. Election of Directors for 2025-2026
 - a. Approval of the extension of the term and retention of Juan B. Santos as Lead Independent Director, and Francisco H. Licuanan III, Roberto F. De Ocampo, and John Mark S. Frondoso as Independent Directors.
7. Appointment of External Auditor
8. Such other business that may properly come before the meeting
9. Adjournment

Only stockholders of record at close of business on **July 9, 2025** 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 12, 2025, 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 8, 2025. Electronic copies of the Information Statement and Management Report and 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 July 29, 2025. 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 July 29, 2025. Proxies received thereafter shall not be recognized for the meeting. The validation of ballots and proxies shall be held on July 30, 2025, 3:00 P.M., at House of Investments, Inc.'s office at the 9F Grepalife Building 221 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, May 16, 2025.



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 July 29, 2025. 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 July 29, 2025 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.
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 will be by plurality of votes and every stockholder will be entitled to cumulate his/her/its votes.
7. The Company's stock transfer agent will tabulate, verify and validate all votes received.
8. The Corporate Secretary shall report the results of voting during the meeting.
9. 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.
10. 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 sent to the stockholders and that a quorum exists for the transaction of business.

Approval of Minutes of the Annual Stockholders' Meeting held on August 9, 2024

The minutes of the Annual Stockholders' Meeting held on August 9, 2024 is posted on the Company's website, at <https://hoi.com.ph/pdf/2024-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 2024

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 2024 and the outlook for 2025. The audited financial statements as of December 31, 2024 will be included in the Information Statement. A resolution noting the report and approving the 2024 audited financial statements 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 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, e) declaration of cash dividends; g) Approval of the Amended Board Risk Oversight Committee Charter; h) Approval of the Anti-Bribery and Anti-Corruption Policy; i) approval of the Preliminary Terms of the Definitive Agreement for the proposed joint venture with Aboitiz InfraCapital, Inc. (AIC) through its subsidiary Tarlac Terra Ventures, Inc.; j) Purchase of an additional 19 million shares of iPeople, bring ownership up to 49.99%; 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 2025 - 2026

Any stockholder may submit to the Corporate Governance, Nomination and Related Party Transactions Committee nominations to the Board of Directors no later than June 9, 2025. 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.

It may be noted, however, that while the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 4 (Series of 2017), four (4) of the independent director nominees, Dr. Roberto F. de Ocampo, OBE, Mr. Francisco H. Licuanan III, Mr. Juan B. Santos, and Mr. John Mark Frondoso are already serving cumulative terms of more than nine (9) years as reckoned from the year 2012. Nonetheless, the Company proposes the re-election and retention of Dr. de Ocampo, Mr. Licuanan, Mr. Santos, and Mr. Frondoso as independent directors. Meritorious justification for their retention/extension are provided in Item 5 of the Information Statement.

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.

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING¹

OF

HOUSE OF INVESTMENTS, INC.

Date :: 09 August 2024
Time :: 4:00 P.M.
Place :: Via Electronic Means of Communication

The Chairperson, Ms. Helen Y. Dee, welcomed the Company's stockholders to the 2024 Annual Stockholders' Meeting (ASM). The Chairperson advised that to continuously safeguard the health and safety concerns of shareholders, the Company is conducting its 2024 Annual Stockholders' Meeting as an online and recorded video-streaming meeting. The Chairperson then stated that the rules of conduct, tabulation and voting procedure, and all other information related to the ASM are embodied in the Company's Definitive Information Statement, which has been uploaded in the Company's website.

The Chairperson also advised that to accord the stockholders the opportunity to participate in the ASM, the stockholders were requested to register online. Further, the stockholders were made aware that only questions and concerns submitted online prior to the given deadline will be addressed during the ASM. As for questions during the ASM, they will be answered via email after the ASM.

The Chairperson proceeded to introduce the incumbent members of the Board of Directors of the Company, as follows:

- | | | |
|-----------------------------------|---|---------------------------|
| 1. Ms. Helen Y. Dee | – | Chairperson of the Board |
| 2. Mr. Lorenzo V. Tan | – | Director/President & CEO |
| 3. Ms. Yvonne S. Yuchengco | – | Director |
| 4. Mr. Medel T. Nera | – | Director |
| 5. Atty. Wilfrido E. Sanchez | – | Director |
| 6. Mr. Gil A. Buenaventura | – | Director |
| 7. Mr. Juan B. Santos | – | Lead Independent Director |
| 8. Dr. Roberto F. De Ocampo | – | Independent Director |
| 9. Mr. Carlos G. Dominguez | – | Independent Director |
| 10. Mr. John Mark S. Frondoso | – | Independent Director |
| 11. Mr. Francisco H. Licuanan III | – | Independent Director |

A complete list of the directors and officers that attended the ASM is hereto attached as Annex "A". The list of stockholders that attended the ASM is also attached as Annex "A-1".

I. CALL TO ORDER.

The Chairperson, Ms. Helen Y. Dee, called the meeting to order.

¹ This draft Minutes is subject to the approval of the Company's stockholders during the next Stockholders' Meeting.

II. PROOF OF NOTICES

The Chairperson asked the Corporate Secretary, Atty. Samuel V. Torres, whether proper notices of the meeting were sent to the stockholders entitled thereto.

The Corporate Secretary certified that stockholders of record as of 09 July 2024 were duly notified of the 2024 ASM in four (4) ways, as follows:

First, by publication of the Notice of the ASM, including its Agenda, on 18 July 2024 and 19 July 2024 in the Manila Bulletin and Philippine Star, both in print and online editions for two (2) consecutive days, as evidenced by the Affidavits of Publication executed by the respective representatives of the publishers.

Second, by disclosure to the Philippine Stock and Exchange, Inc.

Third, by posting on the Company's website.

Finally, through email for those who have successfully registered online, consistent with the applicable Securities and Exchange Commission (SEC) Rules and the Company's internal guidelines on the holding of the ASM by electronic means of communication.

III. DETERMINATION OF QUORUM

The Corporate Secretary certified that out of the 1,469,302,230 outstanding shares of stock entitled to participate and vote, a total of 1,309,468,272 shares are represented in the meeting, with 1,160,795 shares participating remotely and 1,308,307,477 shares represented by proxy. All of the said shares represent 89.122% of those entitled to participate and vote, and constitute more than 2/3 of the outstanding capital stock. The Corporate Secretary then confirmed that there was a quorum.

Thereafter, the Corporate Secretary proceeded to also particularly note that for purposes of presenting the voting results for each Agenda item during the meeting, reference will be made to the votes that were tabulated and considered after the review and validation of the proxy forms and voting ballots that were received prior to the ASM. The final tabulation of votes and the details of the same will be reflected in the Minutes of the meeting.

IV. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING

The Chairperson proceeded to present the next item in the Agenda, which is the approval of the Minutes of the last Annual Stockholders' Meeting held on 21 July 2023. She advised that a copy of the Minutes is posted in the Company's website and available to all stockholders for viewing.

There being no objections or abstentions, the Corporate Secretary stated that a total of 1,309,468,727 shares, representing 89.122% of the total outstanding stock, voted in favor of the following resolution to approve the Minutes of the 2023 Annual Stockholders' Meeting:

"RESOLVED, that the minutes of the last stockholders' meeting be, as they are hereby, noted and approved."

The Corporate Secretary then declared that the Minutes of the 2023 Annual Stockholders' Meeting is deemed noted and approved.

V. APPROVAL OF THE MANAGEMENT REPORT AND THE 2023 AUDITED FINANCIAL STATEMENTS.

The Chairperson noted the next item on the Agenda, which is the approval of the Management Report and the 2023 Audited Financial Statements. She then mentioned that the Company's Annual Report is posted in the Company's website, aside from being presented in the required SEC Form 17-A. The Chairperson then requested the Company's President & CEO, Mr. Lorenzo V. Tan, to present the report on the results of the Company's operations in 2023 and the 2023 Audited Financial Statements.

Mr. Tan proceeded to present the CEO's Report on the results of the Company's operations in 2023. A copy of the CEO's Report is hereto attached as Annex "B".

Upon the conclusion of Mr. Tan's presentation, the Chairperson took the opportunity to inform the stockholders that the Board of Directors had earlier approved the declaration of a cash dividend of Php0.05 per common share, for a total amount of Php73,480,111.50, from the company's unrestricted retained earnings as of 31 December 2023 to the Company's stockholders of record as of 27 August 2024. The payment date is on 06 September 2024.

After the foregoing, the Corporate Secretary noted the proposal to approve the Management Report and the 2023 Audited Financial Statements under the following resolution:

"RESOLVED, that the Management Report and the 2023 Audited Financial Statements, which was made available to the stockholders, be as they are hereby, noted and approved."

There being no objections or abstentions, the Corporate Secretary stated a total of 1,309,468,727 shares representing 89.122% of the total outstanding stock, voted in favor of the above resolution. Thus, the Corporate Secretary declared the Company's Management Report and the 2023 Audited Financial Statements as approved.

VI. RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES AND OFFICERS OF THE COMPANY DURING THE YEAR IN REVIEW.

The Chairperson proceeded to present the next item in the Agenda, which is the ratification and confirmation of all acts, resolutions and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and Officers of the Company during the year in review.

The Corporate Secretary noted the proposal to ratify and confirm all acts, resolutions and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and Officers of the Company during the year in review under the following resolution:

“RESOLVED, as it is hereby resolved, that all acts, resolutions, and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and the Officers during the year in review be ratified and confirmed.”

The Corporate Secretary then proceeded to state that there being no objections, a total of 1,309,467,272 shares, representing 89.122% of the total outstanding stock, voted in favor of the above resolution. The Corporate Secretary thus declared that all acts, resolutions, and proceedings of the Board of Directors, the Executive Committee, the Other Committees, and the Officers during the year in review are ratified and confirmed. There were 1,000 shares that abstained from voting on this particular item.

VII. ELECTION OF DIRECTORS FOR 2023-2024.

The Chairperson proceeded to the next item in the Agenda, which is the election of directors for the year 2024-2025. She then asked the Corporate Secretary if he has the list of nominees to the Board of Directors. The Corporate Secretary replied in the affirmative and stated that, as of 10 June 2024, the deadline for nominations, there were eleven (11) nominees who were evaluated and qualified by the Corporate Governance, Nomination and Related Party Transactions Committee for election as members of the Board of Directors, namely:

Regular Directors

1. Ms. Helen Y. Dee
2. Mr. Lorenzo V. Tan
3. Ms. Yvonne S. Yuchengco
4. Mr. Medel T. Nera
5. Mr. Gil A. Buenaventura

Independent Directors

6. Dr. Roberto F. De Ocampo
7. Francisco H. Licuanan III
8. Mr. Juan B. Santos
9. Mr. John Mark S. Frondoso
10. Mr. Carlos G. Dominguez
11. Mr. Gregorio T. Yu

The Corporate Secretary particularly noted that incumbent director Atty. Wilfrido B. Sanfela is not up for re-election and that, in his stead, Mr. Gregorio T. Yu was nominated for election as Independent Director of the Company.

The Corporate Secretary then also stated that while the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 4 (Series of 2017), the reelection and retention of Mr. Juan B. Santos, Dr. Roberto F. de Ocampo and Mr. Francisco H. Licuanan III as independent directors of the Company is being proposed for stockholders' approval based on the invaluable contribution and guidance that they are constantly providing to the Company. He further stated that the meritorious justifications for Mr. Santos, Dr. de Ocampo and Mr. Licuanan's reelection and retention as Independent Directors were provided for in the Company's Definitive Information Statement.

Thereafter, the Corporate Secretary confirmed the results of the election. He advised that each of the eleven (11) nominees received the number of votes required to be elected as members of the Company's Board of Directors for the year 2024-2025. The details of the votes are provided for in Annex "C" hereof.

The Chairperson then declared and proclaimed the above-named nominees as elected members of the Company's Board of Directors for 2024-2025.

VIII. APPOINTMENT OF EXTERNAL AUDITOR

The Chairperson proceeded to tackle the next item on the Agenda, which is the appointment of the Company's external auditor.

The Corporate Secretary noted the proposal for SGV & CO. to be reappointed as the Company's external auditor for the calendar year ending 31 December 2024 under the following resolution:

"RESOLVED, that the auditing firm SGV & CO. be reappointed as the Company's External Auditor for the calendar year ending December 31, 2024."

The Corporate Secretary then proceeded to state that a total of 1,309,467,272 shares, representing 89.122% of the total outstanding stock, voted in favor of the above resolution. The appointment of SGV & CO. as the Company's external auditor was thus declared and confirmed. There were no objections, but a total of 1,000 shares abstained from voting on this particular item.

IX. OTHER MATTERS.

The Chairperson inquired if there were any other matters that any of the stockholders wished to discuss. The Corporate Secretary confirmed that there was none.

The Chairperson then requested the Corporate Secretary to state the comments and questions submitted to the Company prior to the deadline for submission. The Corporate Secretary replied that no questions were received from the stockholders within the stated deadline, and that questions received during the ASM will be addressed via email and reflected in the Minutes.

Please see below the question submitted during the ASM and Management's response thereto:


Question of Mr. George Cabo Cheng (President of HDI Securities, Inc.)	Management's Response
Per PSE Edge as of 12 July 2024, HI's public float is down to 12.51%. Are there any plans to increase the public float? SEC/PSE have been capousing to increase the minimum public float to ideally 20%. With HI's impressive business portfolio, it would be ideal to increase public float, improve market capitalization, and hopefully be included in the PSE Index.	The Company is aware of its public float and is studying and considering certain measures that would improve liquidity and increase the float. Once the Company has a definite plan in place, it shall promptly disclose the same.

X. ADJOURNMENT.

There being no other questions and with no other business to transact, on motion duly made and seconded, the Annual Stockholders' Meeting was adjourned.


SAMUEL V. TORRES
Corporate Secretary

ATTEST:


HELEN Y. DEE
Chairperson

ANNEX “A”

Directors Present:

Ms. Helen Y. Dee	–	Chairman
Mr. Lorenzo V. Tan	–	President & CEO
Ms. Yvonne S. Yuchengco	–	Director
Mr. Medel T. Nera	–	Director
Mr. Gil A. Buenaventura	–	Director
Atty. Wilfrido E. Sanchez	–	Director (Outgoing)
Mr. Juan B. Santos	–	Lead Independent Director
Mr. Dr. Roberto F. de Ocampo, OBE	–	Independent Director
Mr. Carlos G. Dominguez	–	Independent Director
Mr. John Mark S. Frondoso	–	Independent Director
Mr. Gregorio T. Yu	–	Independent Director (Incoming ASM 2024)

Officers Present:

Ms. Gema O. Cheng	–	EVP-COO,CFO, and Treasurer
Mr. Alexander Anthony G. Galang	–	FSVP-Internal Audit
Dr. Ruth C. Francisco	–	SVP-Chief Risk Officer
Ms. Ma. Esperanza F. Joven	–	FVP-Finance
Ms. Maria Elisa E. de Lara	–	FVP-Internal Audit
Ms. Maria Teresa T. Bautista	–	VP-Controller
Ms. Sonia P. Villegas	–	VP-Human Resources & Admin.
Atty. Lalaine P. Monserate	–	VP-Legal and Compliance Officer
Atty. Samuel V. Torres	–	Corporate Secretary
Atty. Ma. Elvira Bernadette G. Gonzalez	–	Asst. Corporate Secretary

ANNEX A-1

Certificated Shares

STOCKHOLDER NAME	SHARES	IN PERSON (Remotely)		BY PROXY	
		SHARES		SHARES	
A.T. YUCHENGCO, INC.	7,036,070.00	-		7,036,070	
ALVAREZ, RODERICK ALAIN	1,000.00	1,000		-	
DEE, HELEN	10.00	10		-	
DEE, HELEN Y.	35.00	35		-	
DEE, HELEN Y. DEE ITF JOHANNA Y.	160,760.00	160,760		-	
DEE, HELEN Y. DEE ITF MICHELE Y.	160,770.00	160,770		-	
DEE, HELEN Y. ITF: JOHANNA ITF: JOHANNA	321,530.00	321,530		-	
DEE, HELEN Y. ITF: MICHELLE	482,240.00	482,240		-	
DEE, JOHANNA YUCHENGCO	17,180.00	17,180		-	
DEE, MICHELE MARIE Y.	17,180.00	17,180		-	
DOMINGUEZ, CARLOS	5.00	5		-	
ENRIQUE T. YUCHENGCO, INC.	1,211,360.00	-		1,211,360	
FRONDOSO, JOHN MARK S.	5.00	5		-	
GIL A. BUENAVENTURA	5.00	5		-	
GPL HOLDINGS, INC.	295,133,148.00	-		295,133,148	
GREGORIO T. YU	5.00	5		-	
HYDEE MANAGEMENT & RESOURCE CORP.	383,820.00	-		383,820	
MALAYAN SECURITIES CORPORATION	2,790,000.00	-		2,790,000	
NERA, MEDEL T.	5.00	5		-	
OCAMPO, ROBERTO F. DE	5.00	5		-	
PAN MALAYAN MANAGEMENT & INVESTMENT CORP.	692,463,366.00	-		692,463,366	
RP LAND DEVELOPMENT CORP.	726,720.00	-		726,720	
SANCHEZ, WILFRIDO E.	5.00	5		-	
SANTOS, JUAN B.	5.00	5		-	
SEAFRONT RESOURCES CORP.	2,484,000.00	-		2,484,000	
TAN, LORENZO V.	5.00	5		-	
Y REALTY CORPORATION	3,545,890.00	-		3,545,890	
YUCHENGCO, YVONNE S.	45.00	45		-	

Lodged Shares

STOCKHOLDER NAME		PROXY		BROKERS
		SHARES		SHARES
HDI SECURITIES, INC.		2,300,000		
RCBC CAPITAL CORPORATION		1,575,000		
RCBC SECURITIES		263,298,152		
MALAYAN INSURANCE COMPANY, INC.		35,359,951		

Summary

IN PERSON (Remotely)			BY PROXY		LODGED	
No. of Shares			No. of Shares		(PROXY/BROKERS) No. of Shares	
1,160,795			1,005,774,374		302,533,103	
1,160,795			1,005,774,374		302,533,103	
INPUT ISSUED &						
OUTSTANDING						
→	1,031,015,499	CERTIFICATED				
	438,286,731	LODGED				
	1,469,302,230	TOTAL				
TOTAL IN PERSON	1,160,795					
TOTAL PROXY	1,308,307,477					
TOTAL SHARES	1,309,468,272					
TOTAL PERCENTAGE	89.122%					

ANNEX “B”

65 YEARS OF CONTINUOUS TRANSFORMATION

As House of Investments celebrates its 65th anniversary, your Company continues to make itself relevant in Philippine economic development and nation building. To cater to the changing landscape, your Company undertook several entrepreneurial actions, investments and divestments in various industries as it continuously transforms itself.

Transformation through Education ...

House of Investments made our first investment in Education when we acquired the Mapúa Institute of Technology through iPeople, Inc. at the start of the new millennium. We were the first conglomerate to invest in education then because we recognize the pivotal role that education – technical education especially – plays in the national development and social progress.

Our transformation journey in education led us to forge a merger with the education arm of Ayala Corporation which added three more schools in our portfolio: National Teachers College, the APEC Schools, and University of Nueva Caceres. The merger effectively enabled iPeople to ramp up its student population from 19,000 to 40,000 and more importantly, to penetrate the affordable segment in education and target lower income students. At the start of the school year 2023-2024, the iPeople schools had 69,600 enrolled students nationwide with 54% from the affordable education segment.

Mapúa expanded its brand with Mapúa Malayan Colleges Laguna in Cabuyao and Mapúa Malayan Colleges Mindanao in Davao enabling us to reach 31,700 students in 2023.

Under the leadership of Dr. Reynaldo B. Veja, Mapúa later earned its university status driven by the school organization's ardent passion for excellence which are manifested in the recognitions and certifications they received and the performance of their graduates in the board examinations and in the various fields they pursue. Indeed, Mapúa prides itself in building engineers and continues to be one of the top ranked sources of graduates by employers in the Philippines as reported by JobStreet by SEEK.

Taking off from its successful adoption of Digital Classes during the pandemic years, Mapúa schools continue to transform from a traditional learning institution towards digital education by offering Tri-X classes, gives the students the power to choose their mode of participation for every class: face-to-face, online synchronous, or online asynchronous, giving students maximum flexibility. At the start of the year, Mapúa won the first Wharton-QS Reimagine Education Digital Readiness Gold Award for the Philippines with Mapua UOX which are fully online asynchronous alternative programs offered to undergraduate and graduate students who wish to pursue their education on fully on-line, overcoming geographic, social, economic and time constraints. This same mode is being rolled out in Mapua MCL via its DEX and MMDC channels.

In pursuit of global education, Mapúa University in collaboration with Arizona State University started introducing new programs for the school year 2023 in both health science and business. The offering of the new programs under health science is our response and solution to the global shortfall of healthcare workers. Student reception to the four new programs in health sciences rolled out by our Mapúa schools was encouraging with 150 students enrolled. Our BS Nursing gained Tik Tok fame because of our Maternal Care Patient Simulator as personally demonstrated by the Dean of School of Nursing. As of today, enrolment for BS Nursing more than doubled versus last year.

Portfolio realignment ...

Last year, HI underwent another major transformation as it realigned its portfolio with a bias for recurring income and growth.

1. HI sold a significant portion of its 55% stake in EEI Corporation effectively reducing our exposure in construction to 15%. The cyclical nature of the construction sector did not fully align with the sustainable growth agenda of our Company.
2. Together with RCBC and GPL Holdings, HI incorporated RCBC Trust Corporation, a spin-off from the trust operations of RCBC. RCBC Trust Corporation started operations in January 2024 and to-date has Assets Under Management totaling 165 billion pesos.
3. Towards the end of the year, HI entered into a share-for-share swap agreement with PMMIC and GPL Holdings and acquired Sun Life Grepa Financial Inc., MICO Equities, Inc., and Grepa Realty Holdings Corporation.
 - a. Sun Life Grepa Financial Inc. is a joint venture with Sun Life Financial (Philippines) and has been a top player in the Philippine Insurance Market for over 120 years.
 - b. MICO Equities Inc. is the holding company for investments in non-life insurance through Malayan Insurance Co., Inc. (MICO). It is the largest in net premiums written in 2023 with an extensive network of 35 branches and service offices nationwide.
 - c. Grepa Realty Holdings, Inc. brings with it multiple properties. Its main asset is Grepalife Building which stands on a 5,000 sq.m. land along Sen. Gil J. Puyat Avenue in Makati.

Building our Property Portfolio ...

In recent years, HI has been increasing our investments in Property. Starting with the purchase of a property in Makati which currently houses the new Mapúa Makati campus.

We then proceeded to redevelop our property along Buendia in partnership with Sojitz Corporation of Japan. The Yuchengco Centre is envisioned to be a commercial complex that features an iconic design, a network of open spaces, public art facilities, and green technology.

We purchased A.T. Yuchengco Centre, a 34-storey office building located in Bonifacio Global City in 2022. And in 2023, we acquired a one hundred eighty-four hectare property located at Central Techno Park in Luisita Industrial Park in December 29, 2023 through a newly incorporated and wholly-owned subsidiary Tarlac Terra Ventures, Inc.

Financial Results ...

As a result, HI's consolidated assets grew by 146% from 65 billion pesos to 160 billion pesos. The newly formed business segment, financial services, account for 73% of the pie. All the other segments posted strong asset growth year-on-year with Property showing the biggest growth at 27% and Education at 13% likewise driven by its property values.

The divestment and consequent deconsolidation of EEI resulted in a significant decline in our consolidated revenues from 23.9 billion in 2022 to 16.4 billion in 2023. Since the share-for-share swap was approved at year-end 2023, we will see the full impact of the portfolio changes in 2024.

The impact of the deconsolidation of EEI, poor performance of our automotive investments, and birthing pains of the business development initiatives of our schools resulted to the drop in our consolidated net income from 1.72 billion in 2022 to 616 million in 2023.

As of June 2024, we are starting to see the results of the portfolio realignment and I am pleased to report that your company has recorded a consolidated net income of 1.64 billion pesos.

A portfolio supportive of ESG ...

House of Investments is proud to announce our membership in the UN Global Compact, a milestone that aligns seamlessly with our commitment to responsible business practices and sustainability. Our membership in the UN Global Compact reaffirms our dedication to aligning our operations with universally accepted principles, contributing to a more sustainable and inclusive global economy.

House of Investments, Inc. is integrating environmental, social, and governance (ESG) considerations into our core business strategies.

Through PetroEnergy Resources Corporation, your company produced 471 gigawatts of renewable energy for the full year 2023.

We will continue to increase our footprint in the Renewable Energy space in the years to come.

1. Currently, PetroGreen is developing the 27-MWdc Dagohoy solar project in Bohol and the 25-MWdc Bugallon solar project in Pangasinan.
The Dagohoy Solar Power Project in San Vicente and Sta. Cruz is currently the first relatively large utility-scale solar power project under development in the province. Meanwhile, the Bugallon Solar is expected to generate 41,000 megawatt-hours of power annually while reducing carbon emissions by 29,056 metric tons, the company said.
2. PetroGreen has takeover of the San Jose solar project in Nueva Ejica and the San Pablo (Limbauan, Isabela). Once operational, the two projects can add as much as ~60MWDC capacity to PGEC's solar portfolio when they are fully operational which we target by 2025.
3. The Nabas-2 Wind Project was officially awarded by the Department of Energy as the winning bidder for the first green energy auction for wind in the Visayas grid. We successfully started the partial commissioning of the Nabas 2 Wind Farm supplying much needed power to the Panay grid and communities.

As part of our commitment to integrate ESG into our property operations, we started shifting our electricity supply to renewable energy. We started with A. T. Yuchengco Centre by shifting its electricity source to ACEN Renewable Energy Solutions making the building powered 100% by renewable energy. Our other properties followed in 2024.

In the education space, Mapúa MCL earned the distinction of being the first US Green Building Council (USGBC) Gold Member in Southeast Asia committed to introducing sustainability education principles to students. B.S. Architecture students officially become the first LEED Green Associates accredited by the USGBC in Southeast Asia last June 2023.

Our commitment to supporting society through quality education is evident in the improving performance in the World University Rankings.

- In 2023, Mapúa University is among the elite Top 6% universities in the world as declared by Times Higher Education (THE) World University Rankings.
- In 2024, Mapúa University retains its prestigious 601+ ranking in the THE Asia 2024 rankings, marking its second consecutive year among esteemed local universities.

House of Investments also supports the UN Sustainable Development Goal of Good Health and Wellbeing through our health distribution business. In the past year, HI Eisai introduced three new products in the fields of Gastrointestinal and Neurology, namely Goofice, Dayvigo, and Equfina.

- **Goofice** is known to be first in the market to address both increased gastric motility and water secretion, a new solution for chronic constipation.
- **Dayvigo** is a nighttime sleep aid used to help patients with chronic insomnia. Dayvigo helps you fall asleep faster, and help you stay asleep longer, so you can get a better night's rest. The advantage of this new medication is that it doesn't target the Central Nervous System making it less likely to cause next day grogginess.
- **Equfina** is a new option for Parkinson's Disease treatment by increasing the time that Parkinson's Disease patients can freely be active on their own will, thus improving the patient and the patient's family's quality of life.

As we enter a new era in House of Investments, we look forward to the new businesses contributing significantly to our results. The new HI will continue to be a relevant and dynamic partner in Philippine social and economic development. We stand by our Vision: We are committed to innovation, excellence, and sustainable growth and to enriching the lives of all our stakeholders.

Thank you.

ANNEX “C”

ELECTION OF DIRECTORS (VOTING RESULTS)

Name	For	%	Against	%	Abstain	%
Regular Directors						
Helen Y. Dee	1,309,468,272	89.122%	-	0.00%	-	0.00%
Lorenzo V. Tan	1,309,468,272	89.122%	-	0.00%	-	0.00%
Yvonne S. Yuchengco	1,309,468,272	89.122%	-	0.00%	-	0.00%
Medel T. Nera	1,309,468,272	89.122%	-	0.00%	-	0.00%
Gil A. Buenaventura	1,309,468,272	89.122%	-	0.00%	-	0.00%
Independent Directors						
Roberto F. De Ocampo	1,309,468,272	89.122%	-	0.00%	-	0.00%
John Mark S. Frondoso	1,309,468,272	89.122%	-	0.00%	-	0.00%
Francisco H. Licuanan III	1,309,468,272	89.122%	-	0.00%	-	0.00%
Juan B. Santos	1,309,468,272	89.122%	-	0.00%	-	0.00%
Carlos G. Dominguez	1,309,468,272	89.122%	-	0.00%	-	0.00%
Gregorio T. Yu	1,309,468,272	89.122%	-	0.00%	-	0.00%

** Percentage Based on Total Number of Votes*

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 8, 2025, 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 9, 2025**
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.**

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 8, 2025**
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 9, 2025**
Registrant's mailing address : **9/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 12, 2025, 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 8, 2025. Electronic copies of the Information Statement and the Management Report and the 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 June 23, 2025:

Common Stocks	1,469,302,230 shares
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Each common share of the Company's capital stock is entitled to one (1) vote at the Annual Stockholders' Meeting.

(b) Record Date: July 9, 2025

Only stockholders of record at the close of business on **July 9, 2025** 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 May 31, 2025.

COMMON STOCK

SHARE CLASS	NAME AND ADDRESS OF RECORD OWNER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES BENEFICIALLY OWNED	% OF TOTAL
Common	PAN MALAYAN MANAGEMENT & INVESTMENT CORPORATION 48/F, Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>Chairperson</i> is authorized to direct voting of the shares held by Pan Malayan Management & Investment Corporation	Filipino	842,270,070*	57.32%
Common	GPL Holdings, Inc. 4/F Grepalife Building, 221 Senator Gil J. Puyat Avenue., Makati City <i>Principal Stockholder</i>	Ms. Helen Y. Dee <i>President</i> is authorized to direct voting of the shares held by GPL Holdings, Inc.	Filipino	340,803,508*	23.19%
Common	RCBC Securities, Inc. 7/F Yuchengco Tower, RCBC Plaza, 6819 Ayala Ave., Makati City	Mr. Raoul V. Santos <i>President</i>	Filipino	264,733,763**	18.02%

* Represents direct and indirect ownership.

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

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

Among the above shareholders owning more than 5% of the Company's capital, Pan Malayan Management and Investment Corporation (PMMIC) and GPL Holdings, Inc. (GPLH) acquired additional shares.

Date	Shareholder	Previous Shares Owned	Shares Acquired	Amount (Php)	Current Number of Shares
29 Dec 2023	PMMIC	397,166,274	397,703,801	9,032,294,772	794,870,075
29 Dec 2023	GPLH	45,670,360	295,133,148	6,702,801,389	340,803,508
01 Mar 2024	PMMIC	794,870,075	47,400,000	182,016,000	842,270,075

2. Security Ownership of Management

Securities beneficially owned by the directors, nominees, officers, other than qualifying shares, as of May 31, 2025 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. John Mark S. Frondoso	Filipino	Direct	5	0.0000%
Mr. Francisco H. Licuanan III	Filipino	Direct	500	0.0001%

NAME OF BENEFICIAL OWNER	CITIZENSHIP	NATURE OF OWNERSHIP	SHARES OWNED	% OF CLASS
Mr. Carlos G. Dominguez	Filipino	Direct	5	0.0000%
Mr. Medel T. Nera	Filipino	Direct	5	0.0000%
Dr. Roberto F. de Ocampo	Filipino	Direct	5	0.0000%
Atty. Wilfrido E. Sanchez	Filipino	Direct	5	0.0000%
Mr. Juan B. Santos	Filipino	Direct	5	0.0000%
Mr. Lorenzo V. Tan	Filipino	Direct	5	0.0000%
Ms. Yvonne S Yuchengco	Filipino	Direct Indirect	45 147,210	0.0000% 0.0100%
Mr. Gregorio T. Yu	Filipino	Direct	5	0.0000%
Mr. Gilbert F. Santa Maria	Filipino	Direct	5	0.0000%
Sub-Total			2,144,925	0.1460%
Total Common Shares			1,469,302,230	100%

None of the officers have direct or indirect shares other than those mentioned above.

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 May 31, 2025, 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	8 Years as Director 6 Years President & CEO
Mr. Medel T. Nera	Director	13 Years
Ms. Yvonne S Yuchengco	Director	23 Years
Mr. Gilbert F. Santa Maria	Director	< 1 Month

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	8 Years
Mr. Francisco H. Licuanan III	Director	19 Years
Mr. Juan B. Santos	Director	10 Years
Mr. Gregorio T. Yu	Director	1 Year

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Ms. Helen Y. Dee	Chairperson	81	Filipino
Mr. Lorenzo V. Tan	President & CEO	63	Filipino
Ms. Gema O. Cheng	EVP – COO, CFO & Treasurer	60	Filipino

EXECUTIVE OFFICERS			
Name	Position	Age	Citizenship
Mr. Alexander Anthony G. Galang	FSVP - Chief Audit Executive	64	Filipino
Mr. Joselito D. Estrella	SVP – Chief Information Officer	60	Filipino
Mr. Philippe John S. Fetalvero	SVP – Operations Head, Cars Division	56	Filipino
Ms. Ruth C. Francisco	SVP – Chief Risk Officer	62	Filipino
Ms. Ma. Esperanza F. Joven	FVP – Finance	54	Filipino
Ms. Ma. Elisa E. De Lara	FVP – Internal Audit	56	Filipino
Ms. Maria Teresa T. Bautista	FVP – Corporate Controller	52	Filipino
Ms. Chona B. Cacho	VP – IT Audit Cluster	41	Filipino
Ms. Sonia P. Villegas	VP – Human Resources and Admin	56	Filipino
Atty. Lalaine P. Monserate	VP – Legal & Compliance Officer	61	Filipino
Mr. Gerard G. Magadia	VP – GM, Procurement Shared Services	53	Filipino
Mr. Glenson K. Lim	VP – Property	46	Filipino
Mr. Charles A. Rosario	VP – IT Operations	51	Filipino
Atty. Samuel V. Torres	Corporate Secretary	60	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, 63 years old, Filipino, is a **Director** since 2017 and is the **President & CEO** since 2019. 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 Honda Cars Philippines and Isuzu Manila, Inc.; Director, President and CEO of ATYC, Inc., RCBC Realty Corporation, Tarlac Terra Ventures, Inc. and San Lorenzo Ruiz Investment Holdings and Services, Inc. He is also on the Board of Advisors of Alphaland Development Corporation. He holds the Vice Chairmanship of the Pan Malayan Management and Investment Corporation (PMMIC), and TOYM Foundation; Member of the Board of Trustees at De La Salle Zobel. **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). **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, 71, 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., Royal Commons, Inc. 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., Seafrost Resources Corp., Shayamala Corporation, YGC Corporate Services, Inc. and Asia-Pac Reinsurance Co., Ltd.; 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. **Educational Background:** Bachelor of Arts in Interdisciplinary Studies from Ateneo De Manila University, Philippines.

MEDEL T. NERA, 69, Filipino, is a **Director** from 2011 to present. He is also a Director of iPeople Inc., Seafrost Resources Corp., National Reinsurance Corporation of the Philippines, Inc., Ionics, Inc., Ionics-EMS Corp., and Metro Retail Stores Group Inc. **His past experiences include:** President & CEO of House of Investments, Inc.; President of Honda Cars Kalookan, Inc., Director and President of RCBC Realty Corp.; Chairman of the Board of Greyhounds Security & Investigation Agency Corp., Zamboanga Industrial Finance Corporation; Director and Chairman of Risk Oversight Committee of Rizal Commercial Banking Corp., and Senior Partner at Sycip Gorres Velayo & Co. **Educational Background:** Master of Business Administration (MBA) from Stern School of Business, New York University, USA and Bachelor of Science in Commerce from Far Eastern University, Philippines, International Management Program at Manchester Business School, UK, Pacific Rim Bankers Program at the University of Washington, USA. Mr. Nera is a Certified Public Accountant.

FRANCISCO H. LICUANAN III, 81, 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 is an **Independent Director** in since 2014. He is a Director of Allamanda Management Corporation, Philippine Investment Management Corp., Rizal Commercial Banking Corporation; Marsman Drysdale Agri-business Holdings, Inc. (MDAHI); and St. Luke's Medical Center; 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, 79, Filipino, is an **Independent Director** since 2000. He also serves as the Chairman of the Audit Committee. Dr. de Ocampo also serves as Chairman 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 include:** 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. Dr. de Ocampo was formerly the Secretary of Finance. **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, Filipino, 79 years old, returned as an Independent Director in July 2023. He is also a Director of GT Capital Holdings, Inc. and PetroEnergy Resources Corporation and Independent Director of GT Capital. ***His past experiences include:*** Secretary of the Department of Finance (DOF), from July 1, 2016 to June 30, 2022. As Secretary of Finance, he served as a member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), the Governor for the Philippines at the Asian Development Bank (ADB), the Governor for the Philippines at the World Bank, and Alternate Governor for the Philippines at the International Monetary Fund (IMF). His post also made him ex-officio Chairman of various government-owned institutions – the LANDBANK, the Philippine Deposit Insurance Corporation (PDIC) and the Social Security System (SSS). He has over 40 years of experience in both the government and the private sector. From 1969 until 1982, Mr. Dominguez managed agriculture-related enterprises ranging from agricultural machinery distribution and 5,000 hectares of farmland producing bananas for export, as well as coconuts, cacao, rice, and cattle. He joined the Bank of the Philippine Islands (BPI) in 1983 as President of the BPI Agricultural Development Bank before being invited by President Corazon Aquino to join her administration to serve as the head of the Ministry of Natural Resources, and then with the Department of Agriculture in 1987. After leaving government service in 1989, Mr. Dominguez entered the tobacco, energy, real estate, retail, hospitality, mining, and copper smelting industries and served as CEO of companies such as the Retail Specialist Inc., Philippine Tobacco Flue-Curing and Redrying Corp., Philippine Associated Smelting and Refining Corp. as well as Halifax Capital Resources Inc. He joined Philippine Airlines in 1993 and served as its Chairman and CEO in the 1990s. Mr. Dominguez served on the boards of RCBC Capital Corp. House of Investments, Shangri-la Plaza Corp., Northern Mindanao Power Corp., Roxas Holdings, and MERALCO. He was conferred by the President of the Philippines with the Order of Lakandula with the Rank of Grand Cross (Bayani) for his exemplary service to the nation and was also conferred by the Emperor of Japan with the Grand Cordon of the Order of the Rising Sun for exercising outstanding leadership in promoting cooperation between Japan and the Philippines. ***Education Background:*** Executive Management Program from Stanford University; Master of Business Administration and Bachelor of Science in Economics from Ateneo De Manila University

JOHN MARK S. FRONDOSO, 50, 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); **Director** of Philippine Deposit Insurance Corporation; and Honorary Consul of the Czech Republic in Cebu City. ***His Past experiences include:*** President of FSG Technology Ventures, Inc. (Digipay); Director of HC Consumer Finance Philippines, Inc. (Home Credit); Philippine Chief Representative & Executive Director of Morgan Stanley (Singapore) Holdings Pte Ltd.; Trustee and Chairman of the Investment Committee of the Philippine Public-School Teachers Association; 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.

GREGORIO T. YU, 66, Filipino, 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., House of Investments 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. ***His past experiences include:*** Chairman of The CATS Group of Companies, and occupied the position of President and Chief Executive Officer of Belle Corporation, the developer of the Tagaytay Highlands complex; 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.; 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:*** Master of Business Administration from The Wharton School, University of Pennsylvania where he was in the Director's Honor List and Bachelor of Arts (Honors Program) in

Economics (Summa Cum Laude) from De La Salle University where he was a member of the Jose Rizal Honor's Society.

GILBERT F. SANTA MARIA, 59, Filipino, is a **Director** elected on May 30, 2025. He is Partner/Founder of LSM Ventures and Independent Director of Chelsea Logistics & Infrastructure Holdings Corporation. He is currently advising the Chairman of a specialty chemical business operating in ASEAN and India; the founders of a fast-growing technology and services companies in the US; continues to advise or has previously advised other businesses such as a large engineering and construction company operating in the ASEAN and the Middle East. ***His past experiences include:*** Director, President & COO of Philippine Airlines; Director of PAL Holdings (PSE: PHI) and Air Philippines, Inc. ***Educational Background:*** Master's in Public and Private Management from Yale University School of Management and Bachelor of Science in Electrical Engineering from University of the Philippines.

EXECUTIVE OFFICERS:

GEMA O. CHENG, 60, 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., Director, Chief Financial Officer and Treasurer of Tarlac Terra Ventures, Inc. Chief Financial Officer of HI Cars, Inc.: and 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 RCBC Trust Corporation. She was previously a Senior Vice President of SM Investments Corp. seconded as Treasury Head of SM Prime and its various business segments (Malls, Hotels & Conventions, Residences, Leisure and Commercial Properties Group) and prior to that, CFO of the various property companies pre-consolidation; ***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, 64, 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.

JOSELITO D. ESTRELLA, 60, 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.

PHILIPPE JOHN S. FETALVERO, 56, Filipino, is the **SVP – Business Operations Head for the Cars Division**, and is a board member of the Philippine Automotive Dealer Association and National Honda Dealer Council. ***His past experiences include:*** General Manager of Honda Cars Kalookan, Inc. where he started as Sales Manager in 1994. He also served as a faculty member at the De la Salle University Impact Center. ***Educational Background:*** Bachelor of Science in Computer Science from the De La Salle University.

RUTH C. FRANCISCO, 62, Filipino, is the **Senior Vice President – Chief Risk Officer**. She joined the company in July 2010 and was seconded to Malayan Education System, Inc. (Operating under the name of Mapúa University) (“Mapúa”) as the Chief Finance Officer. During her assignment in Mapúa, she also held the following positions: 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, 54, 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 Vice President & Treasurer in HI-Eisai Pharmaceutical, Inc.; Chief Finance Officer of San Lorenzo Investment Holdings and Services, Inc.; Treasurer of ATYC, Inc.; Vice President and Treasurer of 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, 55, Filipino, is the **First Vice President for Group Internal Audit since 2021**. She was Vice President of the company from 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.

MARIA TERESA T. BAUTISTA, 52, 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.; CFO and 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 in Ateneo de Manila University, Graduate School of Business, Chief Finance Officer Leadership Development Program and Corporate Innovation Systems Strategy and Design Program in Asian Institute of Management. ***Educational Background:*** Bachelor of Science in Commerce, Major in Accounting, from St. Paul College, Philippines.

CHONA B. CACHO, 41, Filipino, is the **IT Audit Cluster Head/ Vice President for IT Audit** since July 2021. She was Assistant Vice President for IT Audit of the company from July 2019 to June 2021. She is a Certified Public Accountant (CPA) and holds Global Certification as a Certified Internal Auditor (CIA) and a Certified Information Systems Auditor (CISA). ***Educational Background:*** Bachelor of Science in Accountancy (Cum Laude) from Polytechnic University of the Philippines, Sta. Mesa, Manila.

SONIA P. VILLEGAS, 56, Filipino, is the **Vice President for HR and Admin**. She was Assistant Vice President for HR and Admin of the Company from 2013 to June 2021. She is also a Director of Greyhounds Security and Investigation Agency. She was a 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.

LALAIN P. MONSERATE, 61, Filipino, is **Vice President - Legal and Compliance Officer**. She joined the Company in November 2016 as Assistant Vice President – Legal and Compliance Officer. She was appointed Data Privacy Officer for the Company and RCBC Realty in May 2017 up to the present. She is also the Corporate Secretary of Greyhounds Security and Investigation Agency Corporation from August 2018 to present. She was also appointed the 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. as these companies are considered DNFBPs (Designated Non-Financial Businesses and Profession) under the Anti-Money Laundering Law, as amended. ***Her past experiences include:*** Assistant Director of the Investigation and Prosecution Division, Enforcement and Investor Protection Department of the Securities and Exchange Commission (SEC). She spent 12 years at the SEC, rising from the ranks, i.e. from Securities Investigator, Securities Counsel, Chief Counsel, Division Head and Assistant Director. She was also Clerk of Court of the Regional Trial Court in Pili, Camarines Sur prior to her stint at the SEC. ***Educational Background:*** Bachelor of Laws and Bachelor of Arts in Political Science from the University of Nueva Caceres in Naga City.

GLENSON K. LIM, 46, Filipino, joined the company in August 2023 as the Vice President for Property. He is also the General Manager for ATYC, Inc., General Manager of San Lorenzo Ruiz Investment Holdings and Services, Inc., and Property Manager of Tarlac Terra Ventures, Inc. ***His past experiences include:*** Vice President for Operations and Business Development for Moldex Realty Inc, and Chief Development Officer for Udenna Land Inc. He is a PRC licensed Architect, Environmental Planner, and Master Plumber, and an SEC licensed Certified Securities Representative. ***Educational Background:*** Bachelor of Science Architecture from the University of Santo Tomas; Master in Business Administration from the Ateneo Graduate School of Business – Regis Program.

CHARLES A. ROSARIO, 51, 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 Banco de Oro and East West Banking Corporation. ***Educational Background:*** Bachelor of Science in Computer Science in Emilio Aguinaldo College.

GERARD G. MAGADIA, 53, 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 and Assistant Vice President & Head of Strategic Procurement of Equipment Engineers Inc.-a wholly owned subsidiary of EEI Corporation among others. He is the President of the Philippine Institute for Supply Management (PISM) and is an honorary Certified Professional in Purchasing. ***Educational Background:*** Management Development Program Executive Education & Lifelong Learning from Asian Institute of Management (AIM), with MBA Units at Ateneo Graduate School of Business and Bachelor of Science in Chemistry from Pablo Borbon Memorial Institute of Technology (now Batangas State University).

SAMUEL V. TORRES, 60, Filipino, is the **Corporate Secretary**. His other present positions include: General Counsel & Corporate Secretary of Pan Malayan Management & Investment Corporation and Corporate Secretary of A. T. Yuchengco, Inc., A Y Foundation, Inc., A.Y. Holdings, Inc., Bankers Assurance Corp., Bluehounds Security and Investigation Agency, Inc., Luisita Industrial Park Corp., RCBC Bankard Services, Inc., Enrique T. Yuchengco, Inc. Investment Managers, Inc., Sun Life Grepa Financial, Inc., Grepaland, Inc., Grepa Realty Holdings Corporation, PetroEnergy Resources Corp., Seafront Resources Corp., GPL Cebu Tower Office Condominium Corp., Hexagon Integrated Financial & Insurance Agency, Inc., Hexagon Lounge, Inc., iPeople, inc., RCBC Land, Inc., RCBC Forex Brokers Corp., RCBC Realty Corp., RCBC Securities, Inc., RCBC Capital Corporation, Malayan High School of Science, Inc., Malayan Education System, Inc., Malayan Colleges Mindanao (A Mapua School), Inc. (Operating as Mapua Malayan Colleges Mindanao), Malayan Colleges Foundation, Inc., Malayan Information Technology Center, Inc., Malayan Colleges Laguna, Inc A Mapua School operating under the name of Mapua Malayan Colleges Laguna (Formerly: Malayan Colleges Laguna, Inc, A Mapua School), , AC College of Enterprise and Technology, Inc., Linc Institute, Inc., University of Nueva Caceres, Inc., National Teachers College Doing Business Under the Name/s and Style/s of the “National Teachers College” and “APEC Schools”, GPL Holdings, Pan Pacific Computer Center, Inc., HI Cars, Inc., Hi-Eisai Pharmaceutical, Inc., People eServe Corp., 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., San Lorenzo Ruiz Investment Holdings and Services, 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 Corporation 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 Doing Business Under the Name/s and Style/s of the “National Teachers College” and “APEC Schools”, University of Nueva Caceres, AC College of Enterprise and Technology, Inc., 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 2025-2026:

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

Independent Directors

- 1) Dr. Roberto F. de Ocampo
- 2) Mr. Francisco H. Licuanan III
- 3) Mr. Juan B. Santos
- 4) Mr. John Mark S. Frondoso
- 5) Mr. Carlos G. Dominguez
- 6) Mr. Gregorio T. Yu

Mrs. Eliadah Niel Dela Rama, a stockholder of the Company, who is not in any way related to the nominees, nominated Messrs. Roberto F. de Ocampo, Francisco H. Licuanan III, Juan B. Santos, John Mark S. Frondoso, Carlos Dominguez, 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)

It may be noted, however, that while the Company is guided by the SEC's mandatory term limits for independent directors as provided for in SEC Memorandum Circular No. 4 (Series of 2017), four (4) of the nominees for independent director, Dr. Roberto F. de Ocampo, OBE, Mr. Francisco H. Licuanan III, Mr. Juan B. Santos, and Mr. John Mark S. Frondoso, are now serving cumulative terms of more than nine (9) years as reckoned from the year 2012. The re-election and retention of Dr. de Ocampo, Mr. Licuanan, Mr. Santos, and Mr. Frondoso as independent directors is being proposed during the 2025 Annual Stockholders' Meeting of the Company based on the invaluable contribution and guidance that they are constantly providing to the Company. The following meritorious justifications may be considered:

Dr. de Ocampo is a product of both the De La Salle and the Ateneo de Manila Universities. He received his MBA from the University of Michigan, postgraduate diploma from the London School of Economics and was conferred four doctorates (Honoris Causa) by various Philippine educational institutions. In the private sector, Dr. de Ocampo has been/is the Chairman and/or Board Member of several companies, both in the Philippines and abroad. He is most well-known nationally and internationally for public and international finance. Dr. de Ocampo was a former Secretary of Finance of the Republic of the Philippines, receiving many local and international accolades while he was in public service, including being named as "Asian Finance Minister of the Year" for two years in a row, in 1996 and 1997. For his initiatives to improve Philippine international relations, Dr. de Ocampo was honored by the Republic of France. He was also conferred by HM Queen Elizabeth II the Most Excellent Order of the British Empire (OBE) for his outstanding efforts to promote Philippine-UK relations. Dr. de Ocampo is a recipient of numerous other international and national honors. He is truly a pioneer, an authority and a leading expert in the field of finance. The Company greatly benefits from the advice and guidance that he provides.

Mr. Licuanan similarly maintains a reputable standing. He has an exceptional educational background, having graduated AB Economics, Cum Laude, from the Ateneo De Manila University and completing his MBA at Harvard Business School in Cambridge, Massachusetts, USA. Thereafter, Mr. Licuanan went on to establish a distinguished career in both the private and public sectors. For more than two (2) decades, Mr. Licuanan immersed himself in and led one of the largest real estate firms in the country, initially as Vice President for Corporate Planning of Ayala Corporation in 1979 to serving as Ayala Land, Inc.'s President and CEO from 1988 to 2004. He was also a highly valued member of the Office of the President, serving as Chairman of the Subic Bay Metropolitan Authority and as an Adviser for the Subic-Clark Area Development. Clearly, Mr. Licuanan's proficiency in finance, real estate, and other various business industries and public sector concerns provides the Company with invaluable direction and guidance.

Mr. Santos has a commendable academic background. He graduated BS Business Administration from the Ateneo De Manila University, took his graduate studies at Thunderbird Graduate School of Management, Arizona, USA, and completed an Advanced Management Course in IMD, Lausanne, Switzerland. He has had an outstanding career in the private and public sectors, exhibiting his expertise in management and finance. Mr. Santos was a former Secretary of Trade and Industry of the Republic of the Philippines and served as Chairman of the Social Security System. In the private sector, he led Nestle Philippines, Inc. as its Chairman and CEO. He also held and continues to hold directorships in various notable PSE listed companies and financial and banking institutions. In 1994, Mr. Santos was the recipient of the Management of the Year Award from the Management Association of the Philippines (MAP). Given Mr. Santos' accomplishments and the expertise he has shown in management, finance and various fields of business, the Company deems his advice, counsel and guidance as instrumental to the success and growth of the Company.

Mr. Frondoso is a highly regarded business professional with extensive experience in investment banking and digital finance. He holds a Bachelor of Science degree in Industrial Management from Carnegie Mellon University in Pennsylvania. Previously, Mr. Frondoso served as the Country Head for Morgan Stanley's Philippine Representative Office. He subsequently founded FSG Capital, Inc., an independent financial advisory and holding company with a diverse investment portfolio. Among his pioneering investments was HC Consumer Finance Philippines, Inc. ("Home Credit"). In addition to his contributions to the business and finance sectors, Mr. Frondoso currently serves as the Honorary Consul of the Czech Republic in Cebu City. Given his robust background in business and finance, complemented by his broader experiences, his counsel and guidance are vital to the Company's efforts to implement policies, strategies and measures geared towards stability, growth and success.

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. 4 dated March 9, 2017, 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 2024-2025 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 June 23, 2025:

- 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: 1. Lorenzo V. Tan, President & CEO 2. Gema O. Cheng, EVP - Chief Operating Officer, Chief Financial Officer & Treasurer 3. Alexander Anthony G. Galang, FSVP - Internal Audit 4. Ruth C. Francisco, SVP - Chief Risk Officer 5. Joselito D. Estrella, SVP - Chief Information Officer	2025	P46.2(est)	P0	P0
	2024	P44.0M	P0	P0
	2023	P51.0M	P0	P0
All other officers and directors as group unnamed.	2025	P92.4M (est)	P0	P1.9M (est)
	2024	P88.0M	P0	P1.9M
	2023	P66.6M	P0	P1.9M
TOTALS	2025	P138.7M (est)	P0	P1.9M (est)
	2024	P132.1M	P0	P1.9M
	2023	P117.7M	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 2024 and the attendances of each directors are as per the table below.

Directors	Present	Absences
Helen Y. Dee	6	0
Lorenzo V. Tan	6	0
Medel T. Nera	6	0
Yvonne S. Yuchengco	6	0
Juan B. Santos	6	0
John Mark S. Frondoso	6	0
Roberto F. De Ocampo	5	1
Carlos G. Dominguez	5	1
Gil A. Buenaventura*	5	1
Gregorio T. Yu**	3	0
Wilfrido E. Sanchez***	3	0

* Mr. Buenaventura passed away on April 21, 2025.

** Mr. was elected as an Independent Director during the Annual Stockholders' Meeting held on 09 August 2024.

*** Atty. Sanchez was a Director until 09 August 2024. He did not stand for re-election during the Annual Stockholders' Meeting held on 09 August 2024.

Attendance to Board Committee Meetings:

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
Gil A. Buenaventura	1	0
Juan B. Santos	1	0
Carlos G. Dominguez	0	1

Audit Committee

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

Board Risk Oversight Committee

Directors	Present	Absences
Juan B. Santos	4	0
Gil A. Buenaventura	4	0
John Mark S. Frondoso*	3	0
Gregorio T. Yu*	1	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	0
Francisco H. Licuanan	3	0
Roberto F. de Ocampo	3	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 2024 audit. SEC rules mandate the compulsory rotation of audit partners after 5 years.

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

Disagreement with Accountants on Accounting and Financial Disclosure

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

Attendance of Accountants at the Meeting

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

External Audit Fees and Services

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

YEAR	AUDIT FEE BILLING
2024	P17,939,041*
2023	P21,835,215**
2022	P9,167,500

** Includes P0.60 million covering special audit on transactions related to the consolidation of the automotive business under one subsidiary*

***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 proposed annual audit fees for the external auditor are reviewed and evaluated by Management. Management regularly presents to the Audit Committee the proposed negotiated audit fees each year. If there would be adjustment or increase from the prior year, Management is expected to justify the reason for the increase. Engagement letters are not signed until the Audit Committee has approved the audit fees.

Tax Fees

The Company has engaged the services of the International Tax and Transaction Services of SGV & Co. to assist in preparing and updating the transfer pricing documentation of the Group. Non-audit services for the year 2024 and 2023 amounted to P1,690,000 and P3,125,000 respectively.

All Other Fees

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, 2024, Management Discussion and Analysis, Market Price of Shares and Dividends and other data 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 9, 2024 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 89.122% 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 July 21, 2023 Minutes constitutes a ratification of the accuracy and faithfulness of the Minutes of the events that transpired during the said meeting, such as (a) 2022 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 2023 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 July 21, 2023 until August 9, 2024. 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) incorporation of Tarlac Terra Ventures, Inc. as a wholly owned subsidiary and its purchase of a 184-hectare property located at Central Techno Park in Luisita Industrial Park from Rizal Commercial Banking; g) enrollment in RCBC's Cash Dividend Direct Credit Program (CDDCP) facility for Certificated Shareholders; h) appointment of RCBC Trust Corporation as Successor Stock Transfer Agent, Registrar Agent and Dividend Paying Agent of the Company effective January 1, 2024; i) sale of additional EEI shares; j) authority to submit a bid for the Ninoy Aquino International Airport (NAIA) PPP Project together with GMR Airports International BV and Cavtex Holdings, 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.
4. Election of Directors for 2024-2025.
5. Re-appointment of Sycip Gores Velayo & Co. as external auditor of the Company for the fiscal year ending 31 December 2024.

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. Atty. Wilfrido E. Sanchez
6. Mr. Gil A. Buenaventura
7. Dr. Roberto F. De Ocampo
8. Mr. Juan B. Santos
9. Mr. Carlos G. Dominguez
10. Mr. John Mark S. Frondoso
11. Mr. Francisco Licuanan

Officers:

12. Ms. Gema O. Cheng, EVP-COO, CFO and Treasurer
13. Mr. Anthony Alexander G. Galang, SVP-Internal Audit
14. Ms. Ruth C. Francisco, SVP-Chief Risk Officer
15. Ms. Ma. Esperanza F. Joven, FVP-Finance
16. Ms. Ma. Teresa T. Bautista, VP-Corporate Controller
17. Ms. Maria Elisa E. De Lara, FVP-Internal Audit
18. Ms. Sonia P. Villegas, VP-HR and Admin
19. Atty. Lalaine P. Monserate, VP-Legal and Compliance Officer
20. Atty. Samuel V. Torres, Corporate Secretary
21. Atty. Ma. Elvira Bernadette G. Gonzalez, Assistant 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

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 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 9, 2024.
2. Approval of the Management Report and the Audited Financial Statements of the Company for the year ended December 31, 2024
3. 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 9, 2024 up to the date of the 2025 Annual Stockholders' Meeting.
4. Election of Directors for 2025-2026
5. 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. 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 2023. For the period covering the year 2024, the Company will submit its IACGR on or before May 30, 2025.

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

In its 2018 to 2023 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with the majority of the recommendations specified in the said Report. In 2024, the Company was compliant with all the recommendations.

3. Deviation from the Manual on Corporate Governance

In its 2018 up to 2023 Integrated Annual Corporate Governance Reports (IACGRs), the Company has complied with the majority of the recommendations specified in the said Report. In 2024, 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 STOCKHOLDERS WITH A COPY OF THE COMPANY'S YEAR 2023 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.

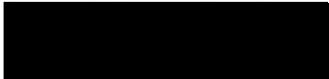
Attention: Office of the Corporate Secretary
Address: 9th Floor GPL Building
221 Sen. Gil J. Puyat Avenue
Makati City 1200 Philippines
Tel. No.: (632) 8815-9636
Fax No.: (632) 8816-1127
E-mail: hi_asm@hoi.com.ph

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 25, 2025. *SNW*

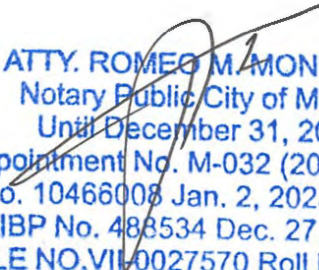
House of Investments, Inc.
By:


Atty. Lalaine P. Monserate
Compliance Officer


Atty. Samuel V. Torres
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME THIS JUN 25 2025 DAY OF _____
MAKATI CITY, METRO MANILA, PHILIPPINES

Doc No. 424 :
Page No. 87 :
Book No. 60 :
Series of 20 25


ATTY. ROMEO M. MONFORT
Notary Public, City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg,
Brgy. Rio Del Pilar, Makati City

ANNEX “1”

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JOHN MARK S. FRONDOSO**, Filipino, of legal age and a resident of 1163 Tamarind Road, Dasmariñas Village, Makati 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 December 2016.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Philippine Deposit Insurance Corporation	Director	April 2024- Present
Lux ET SAL Corporation	Director	2022-2024
Courxera Holdings Corporation	Director	2022-2024
LEX Services, Inc	Director	January 2019 –Present
Ministry of Foreign Affairs Czech Republic	Honorary Consul in Cebu	December 2018-Present
FSG Technology Ventures, Inc	Director	August 2017 – Present
Spektacularis, Inc	Vice President / Director	February 2016- Present
Digitrade Enterprise, Inc.	Chairman / President	September 2015 – Present
Star Two Holdings, Inc.	President / Director	March 2014 – Present
Onshore Strategic Assets (SPV-AMC) Inc.	President / Director	March 2014 – Present
Star Asset Management NPL, Inc.	President / Director	March 2014 – Present
Star Asset Management ROPOAS, Inc.	President / Director	March 2014 – Present
Star Two (SPV-AMC), Inc.	President / Director	March 2014 – Present
Star Accounts Management Services, Inc	President / Director	March 2014 – Present
Star TechPh Management and Consultancy Services, Inc.	President / Director	March 2014 – Present
Filcommerce (Singapore) Holdings, PTE. LTD	Director	February 2014 – Present
Asian Aerospace Corporation	Director	April 2013- Present
Asea Airports Development Corporation	Director	2013-Present
FSG Capital, Inc.	Chairman & President	May 2012- Present
M & S Holdings, Inc.	President / Chairman	April 2005-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.


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

Name of Director/Officer	Position	Nature of Relationship
Ms. Helen Y. Dee	Chairman/Director	I am a nephew of Ms. Dee and Ms. Yuchengco by virtue of my mother being their second cousin on the maternal side.
Ms. Yvonne S. Yuchengco	Director	

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. 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.
7. I shall inform the Corporate Secretary of HOUSE OF INVESTMENTS, INC. of any changes in the abovementioned information within five days from its occurrence.

10 JUN 2025

Done this ____ day of May 2025 at Makati City, Metro Manila, Philippines.


JOHN MARK S. FRONDOSO
Affiant

10 JUN 2025

SUBSCRIBED AND SWORN to before me this ____ day of May 2025 at **MAKATI CITY**, affiant personally appeared before me and exhibited to me his Philippine Passport No. P9479137A, issued at DFA NCR East, and valid until November 8, 2028.

Doc. No. 490 ;
Page No. 99;
Book No. IX
Series of 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JUAN B. SANTOS**, Filipino, of legal age and a resident of 2420 Bougainville, Dasmariñas Village, Makati 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 2014.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/ Relationship	Period of Service
Rizal Commercial Banking Corporation	Independent Director	2016 – Present
Philippine Investment Management, Corp. (PHINMA)	Director	August 2013 – Present
Allamanda Management Corp.	Director	January 2000 – Present
Marsman Drysdale Group of Companies	Consultant	September 2007 – Present
East West Seeds Corp.	Advisory Board	2008 – Present
St. Lukes Medical Center	Trustee	2005 – Present
Mitsubishi Motors Phils. Corp.	Advisory Board	January 2016 – Present
East West Foundation	Trustee	2008 - Present
Marsman Drysdale Agribusiness Holdings, Inc.	Trustee	2007 - 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.

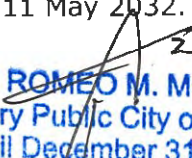
Done this MAY 23 2025 day of May 2025, at Makati City, Metro Manila, Philippines.


JUAN B. SANTOS
Affiant

MAY 23 2025

SUBSCRIBED AND SWORN to before me this _____ day of May 2025 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. P8937503B, issued at DFA NCR Central, and valid until 11 May 2032.

Doc. No. 12;
Page No. 04;
Book No. 81;
Series of 2025.


ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **FRANCISCO H. LICUANAN III**, Filipino, of legal age and a resident of No. 5 Bonifacio Place, Ayala Heights, Diliman, 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 2006.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Dusit Thani Philippines, Inc.	Director	1985 to Present
Innovative Property Solutions, Inc.	Chairman/President & CEO and Stockholder	October 2005 to Present
GeoEstate Development Corp.	Chairman/CEO and Stockholder	October 2006 to Present
Battery Park Investments Inc.	Chairman/CEO and Stockholder	May 2007 to Present
New Pacific Resources Management (SVP-AMC), Inc.	Chairman/CEO and Stockholder	July 2007 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 23 2025

Done this _____ day of May 2025, at Makati City, Metro Manila, Philippines.


FRANCISCO H. LICUANAN III
Affiant

MAY 23 2025

SUBSCRIBED AND SWORN to before me this _____ day of May 2025 at Makati City, affiant personally appeared before me and exhibited to me his Philippine Passport No. P9541168C, issued at DFA Manila, valid until 4 May 2035.

Doc. No. 44;
Page No. 84;
Book No. 88;
Series of 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

CERTIFICATE OF INDEPENDENT DIRECTOR

I, Roberto F. de Ocampo, Filipino, of legal age and a resident of 121 Victoria Cor. Homonhon Sts. Magallanes Village, Makati, 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 June 05, 2000.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
RFO Center for Public Finance and REGIONAL Economic Cooperation	Chairman of the Board of Advisors	2006
Philippine Veterans Bank	Chairman	2013
MoneyTree Publishing Inc.	Chairman	2007
Interinvest Projects Inc. (IPI)	Chairman	2013
British Alumni Association	Chairman	January 29, 2003
Libera International Advisory Board (London)	Chairman	2013
Foundation for Economic Freedom	Chairman	2012
BPI Investment Management Inc. (BIMI)	Chairman	2014
Centennial Group (Washington), D.C.	Founding Director	1999
Emerging Markets Forum	Founding Director	2005
Pacific Gaming Investments Pte. Ltd.	Independent Director	2010
Bankard, Inc.	Independent Director	2006
EEL Corporation	Independent Director	2005
House of Investments	Independent Director	June 5, 2000
Beneficial Life Insurance Co., Inc.	Independent Director	October 30, 2008
DFNN Inc.	Independent Director	1999
Investment & Capital Corporation of the Philippines (ICCP)	Independent Director	July 27, 2011
Banker's Association of the Philippines	Director	2016
Philippine Business for the Environment (PBE)	Board Member	2015

The Conference Board (New York)	Member, Global Advisory Board	2004
Philippine Cancer Society	Member, Board of Advisers	1998
Ramos Peace and Development Foundation	Member, Board of Trustees	1999
SGV Foundation	Member, Board of Trustees	1999
Trilateral Commission	Member, Executive Committee	2000

I am not affiliated with any government/owned and controlled corporation.

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, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of House of Investments, Inc. as provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

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.

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N.A.	N.A.	N.A.

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from House of Investments, Inc. to be and independent director in House of Investments, Inc., pursuant to Office of the President Memorandum Circular' No. 17 and Section 12, Rule XVIII of the Revised Civil Services Rules.
7. I shall faithfully and diligently comply with my duties as 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.

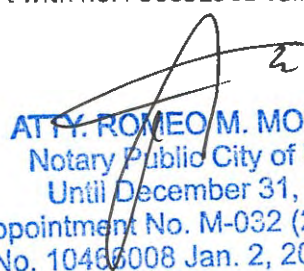
Done, this 15th day of May 2025, at Makati City



ROBERTO F. DE OCAMPO
Affiant

SUBSCRIBED AND SWORN to before me this 15th day of May 2025 at Makati City, affiant personally appeared before me and exhibited to me his passport with no. P5685296B valid until 26 October 2030 issued at DFA NR Central on 27 October 2020.

Doc. No. 420 :
Page No. 87 :
Book No. PT :
Series of 2025: _____ :


ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda-Bldg.
Brgy. Pio Del Pilar, Makati City

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

<i>Company/Organization</i>	<i>Position/Relationship</i>	<i>Period of Service</i>
Inchcape Philippines	Director	August 2023 to present
Nexus Technologies, Inc.	Chairman/Director	May 1, 2012 to present
Philippine Airlines	Director	2024-Present, 2011-2021
AIA Philippines Life and General Insurance Company, Inc.	Director	April 20, 2023 to present
Filipino Fund, Inc.	Director	May 2024 to present
House of Investment	Director	June 2024 to present
Glacier Megafridge, Incorporated	Director	January 28, 2021 to present
Alphaland Corporation	Director	May 1, 2018 to present
APO Agua Infraestructura, Inc.	Director	January 1, 2014 to present
Glyph Studios, Inc.	Director	Dec. 1, 2011 to present
Philippine Bank of Communications	Director	July 1, 2011 to present
Unistar Credit and Finance Corporation	Director	Jan. 1, 2012 to present
American Motorcycles, Inc.	Director	Nov. 28, 2012 to present
CATS Asian Cars, Inc.	Director	June 25, 2004 to present
Philequity Management, Inc.	Director	Aug. 1, 2013 to present
Vantage Equities Inc.	Director	Aug. 1, 2013 to present
Vantage Financial Corporation (formerly E-Business Services Inc.)	Director	Aug. 1, 2015 to present
Prople BPO Inc.	Director	Aug. 1, 2006 to present
Jupiter Systems Inc.	Director	Oct. 1, 2001 to present
Wordtext Systems Inc.	Director	Sept. 1, 2001 to present
Manila Symphony Orchestra	Board Member	Sept. 1, 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
na		

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 MAY 23 2025 day of May 2025, at Makati City, Metro Manila, Philippines.


GREGORIO T. YU
Affiant

SUBSCRIBED AND SWORN to before me this MAY 23 2025 day of May 2025 at Makati City, 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. 12;
Page No. 04;
Book No. 98;
Series of 2025.

ATTY. ROMEO M. MONFORT
Notary Public, City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg,
Brgy. Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CARLOS G. DOMINGUEZ**, Filipino, of legal age and a resident of 151 Sarangani St., Ayala Alabang Village, Muntinlupa 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
GT Capital Holdings, Inc.	Independent Director	Aug 11, 2023- up to present
Petroenergy Resources Corporation	Independent Director	July 27, 2023- up 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, 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
NOT APPLICABLE		

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 MAY 16 2025 day of May 2025 at Makati City, Metro Manila, Philippines.



CARLOS G. DOMINGUEZ
Affiant

SUBSCRIBED AND SWORN to before me this MAY 16 2025 day of May 2025 at MAKATI CITY, affiant personally appeared before me and exhibited to me his Philippine Passport No. P5511151A, issued at DFA Manila, and valid until 03 January 2028.

Doc. No. 321 ;
Page No. 148 ;
Book No. 44 ;
Series of 2025.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO.VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.,
Brgy. Pio Del Pilar, Makati City



ANNEX “2”

03 June 2025

THE SECURITIES AND EXCHANGE COMMISSION

7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City 1209

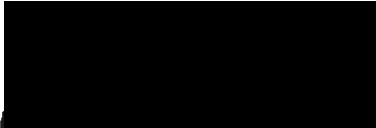
Attention: **ATTY. OLIVER O. LEONARDO**
Director, Markets and Securities Regulation Department

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 08 August 2025 are government employees, officers or appointees.

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



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 8, 2025** 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			
	FOR	WITHHOLD	EXCEPTION	NO. OF VOTES
1. Election of Management's Nominees as Directors				
Management Nominees:				
1. Helen Y. Dee				
2. Lorenzo V. Tan				
3. Yvonne S. Yuchengco				
4. Medel T. Nera				
5. Gilbert F. Santa Maria				
Independent Directors:				
6. Roberto F. De Ocampo (For Retention and Reelection as Independent Director)				
7. John Mark S. Frondoso (For Retention and Reelection as Independent Director)				
8. Francisco H. Licuanan III (For Retention and Reelection as Independent Director)				
9. Juan B. Santos (For Retention and Reelection as Independent Director)				
10. Carlos G. Dominguez				
11. Gregorio T. Yu				
INSTRUCTIONS: To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under. All 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. Approval of the Management Report and Audited Financial Statements for 2024.			
4. 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.			
5. Appointment of SGV as External Auditor			

THIS PROXY, SOLICITED ON BEHALF OF THE MANAGEMENT OF HOUSE OF INVESTMENTS, INC. SHOULD BE RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE 10:00 A.M OF JULY 29, 2025, 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.

PERSONS MAKING THE SOLICITATION

THIS PROXY IS SOLICITED ON BEHALF OF THE MANAGEMENT OF HOUSE OF INVESTMENTS, INC. THE PROXY STATEMENT AND THE ENCLOSED PROXY SHALL BE SENT TO THE SECRETARY OF THE CORPORATION EITHER THROUGH ELECTRONIC MEANS ADDRESSED TO HI_ASM@HOI.COM.PH ON OR BEFORE 10:00 A.M. ON JULY 29, 2025. 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.

IN ADDITION TO SOLICITATION OF THE PROXIES BY ELECTRONIC MEANS AND/OR MAIL, OFFICERS AND EMPLOYEES OF THE COMPANY MAY ALSO SOLICIT PROXIES PERSONALLY OR BY TELEPHONE. THE COST OF SOLICITATION, APPROXIMATELY ₱ 250,000 WILL BE BORNE BY THE COMPANY.

THERE IS NO MATERIAL CONSIDERATION CONTRACT OR ARRANGEMENT FOR THE SOLICITATION. THE COMPANY IS NOT A PARTY TO ANY ARRANGEMENT OR UNDERSTANDING WITH ANY PERSON WITH RESPECT TO ANY MATTER TO BE ACTED UPON THE MEETING.

THIS PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED:

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 THE SOLICITOR(S) DO NOT KNOW A REASONABLE TIME BEFORE THE SOLICITATION 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 THIS SOLICITATION ARE TO BE 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

THIS PROXY IS BEING SOLICITED ON BEHALF OF THE MANAGEMENT OF HOUSE OF INVESTMENTS, INC.

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 July 29, 2025, 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 9, 2025
- b. When to Register – Registration period shall be from July 22, 2025 at 8:00 AM to July 29, 2025 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 of the 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 July 29, 2025.

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 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	_____	_____	_____	_____
Independent Directors:				
6. Roberto F. De Ocampo (For Retention and Reelection as Independent Director)	_____	_____	_____	_____
7. John Mark S. Frondoso (For Retention and Reelection as Independent Director)	_____	_____	_____	_____
8. Francisco H. Licuanan III (For Retention and Reelection as Independent Director)	_____	_____	_____	_____
9. Juan B. Santos (For Retention and Reelection as Independent Director)	_____	_____	_____	_____
10. Carlos G. Dominguez	_____	_____	_____	_____
11. Gregorio T. Yu	_____	_____	_____	_____
INSTRUCTIONS: <i>To withhold authority to vote for any individual nominee(s) of Management, please mark Exception box and list name(s) under.</i> <i>Except for Mr. Yu, all are incumbent members of the Board of Directors.</i>				

PROPOSAL	ACTION		
	FOR	AGAINST	ABSTAIN
APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS’ MEETING HELD ON AUGUST 9, 2024.			
APPROVAL OF THE MANAGEMENT REPORT AND AUDITED FINANCIAL STATEMENTS FOR 2024.			
RATIFICATION AND CONFIRMATION OF THE ACTS, RESOLUTIONS AND PROCEEDINGS OF THE BOARD OF DIRECTORS, EXECUTIVE COMMITTEE, OTHER COMMITTEES, AND THE OFFICERS OF THE COMPANY DURING THE YEAR 2024.			
APPOINTMENT OF SGV AS EXTERNAL AUDITOR.			

DATE: _____

STOCKHOLDER’S NAME: _____

STOCKHOLDER’S SIGNATURE: _____

NOTE: Please submit this form on or before July 29, 2025 and accompanied by any government issued identification.

MANAGEMENT REPORT

Financial and Other Information

Audited Financial Statements

The Statement of Management's Responsibility and Consolidated Audited Financial Statements of the Group as at December 31, 2025 are attached hereto as **Annex "D"**.

Changes in and Disagreements with Accountants in Accounting and Financial Disclosure

None

Management Discussion and Analysis of Financial Condition and Plan of Operations

Item 1: Description of Business

1.1 Business Development

House of Investments, Inc. ("House of Investments" or "the Company") is 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.

House of Investments and its affiliates together with Ayala Corporation controls 51.3% and 33.5%, respectively.

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). At the start of SY2024-2025, MMCL began offering a Bachelor of Science Degree in Aeronautical Engineering and an Associate Degree in Aircraft Maintenance as of 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. It features an iconic design with a network of open spaces, public art facilities, 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.

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 redevelopment, property management and facilities management.

In addition, Landev owns Greyhounds Security and Investigation Agency Corp. (GSIA) which provides comprehensive security services to RCBC Plaza, ATYC, and RCBC business centers and branches in Metro Manila and Luzon provinces.

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”). 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” or “PERC”) is a publicly listed Philippine energy company founded in 1994 to undertake upstream oil exploration and development. Since then, it has diversified into renewable energy and power generation. PetroEnergy, through its renewable energy arm, PetroGreen Energy Corporation, has investments in the following companies: PetroSolar Corporation, PetroWind Energy Inc., Maibarara Geothermal, Inc., Rizal Green Energy Corporation and Buhawind Energy.

In 2022, PetroGreen took in a new strategic partner in Kyuden International Corporation as Kyuden infused Php3.4 billion for a 25% stake in PGEC. Also in 2022, Buhawind Energy was created via a joint venture between PGEC and Copenhagen Energy to develop wind farms with aggregate capacity of 4.0GW.

In 2023, PetroEnergy bought out the shares of EEI Power Corporation in PetroGreen, PetroSolar and PetroWind.

In 2024, PetroGreen implemented the P1.2 billion Dagohoy Solar Power Project (DSPP) which is intended to supply 27 megawatts of solar power to over 15,000 households. The DSPP also includes a teachers’ training program with the Department of Education and Bohol college scholarship grants through partner agencies

HEALTHCARE

HI-EISAI PHARMACEUTICAL, INC. (“HEPI”) is a joint venture between House of Investments and the Eisai Co. of Japan with the Company owning 50%. HEPI imports pharmaceuticals from Japan, which it sells in the Philippine market through established drug distributors. Over the past 50 years, the partnership through the introduction of new and innovative medicines to the Philippine market has significantly impacted the healthcare industry as a whole and the well-being and lives of Filipino patients we serve.

DEATHCARE

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. House of Investments owns a material stake in MMPCI.

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. (HI) as an operating, holding and management company with significant involvement in a number of industries through its various divisions, subsidiaries, associates, joint ventures, and managed companies is exposed to risks that are particular to its nature of operations, the environment in which it operates, and sector-specific risks which may impact reputation, stakeholder confidence, and overall business sustainability. HI’s current core business is organized into four segments; financial services, property and property services, education, and automotive. The Company’s portfolio investments are in energy, health care, and death care. HI believes that risk management is the responsibility of all stakeholders and underscores the importance of an integrated risk and sustainability management approach across the Group. As such, risk and sustainability management is integrated into the businesses’ organizational activities and processes, embedded into the regular functions and operational requirements to achieve the corporate goals.

Through the Risk Management Council (“RMC”), the Company defines a risk management strategy and is responsible for identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives; establishing a risk register with clearly defined, prioritized and residual risks; and developing a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy. The RMC communicates and reports significant risk exposures including business risks (e.g. strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and is responsible for monitoring and evaluating the effectiveness of the organization's risk management processes.

The Board Risk Oversight Committee (BROC) assists the Board of Directors in fulfilling its corporate governance functions on risk and sustainability management. The BROC is responsible for the oversight of the company’s enterprise risk and sustainability management system. The Chief Risk Officer reports to the BROC developments and matters relevant to risk and sustainability management. Management, through the company’s Risk Management Council, is accountable for managing the associated risks and sustainability-related exposures. The management team of the subsidiaries are responsible for managing their respective risk and sustainability exposures and reports periodically to HI.

As the risk environment for the Group continues to evolve, HI reviews and conducts a group-wide risk assessment periodically, monitors the identified risks to ensure that these are current and regularly taken into account. The following key risks confronting the holding company as the strategic parent and the specific risks embedded in each business segment have been identified which may impact the operations, objectives, and long-term value creation of the Group.

Reputational and Stakeholder Risk

The inability of the Company to maintain and failure to protect its reputation may adversely affect its objective of creating and growing its value for its stakeholders. The Group’s reputation is closely tied to the performance and image of its subsidiaries. Negative publicity or poor performance within any subsidiary may damage the Company's overall brand which may impact stakeholder confidence and future business opportunities. A reputational setback in one subsidiary can cascade across the Group, affecting its ability to fulfill its growth and value objectives. 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 failure to protect the Company from data breaches and/or the inability of the information systems to adequately protect the critical data and infrastructure may adversely affect stakeholders' confidence, disrupt operations, and may result to business losses and reputational damage. The Company may handle sensitive stakeholder data which can lead to privacy and cybersecurity risks such as data breaches, cyber-attacks, and ransomware. The increasing frequency and severity of cyber incidents, such as data breaches and information technology disruptions, not only locally but also globally, have heightened awareness of exposures within the Group. 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 probability that a critical role will become vacant and cannot be satisfactorily filled may negatively affect the Company's continuity of its strategic imperatives and/or products and services standards. The success of the Company depends on the quality and effectiveness of the leadership and employees and may face challenges in attracting and retaining top talent. The challenges in hybrid work models, shortage of highly technical and skilled talent add to this. HI established programs in building key competencies and capability, as well as implementing succession planning 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, operating largely in regulated business segments, may be impacted by changes in laws and policies or the introduction of new laws or regulations which may affect its business operations and financial results. The subsidiaries are subject to a range of national, local, and sectoral legal and regulatory requirements. Failure to adapt to sector regulations or non-compliance may result in fines, legal action, reputational damage, and even the loss of operating licenses and accreditations. Changes in and stringent compliance requirements can lead to increased operational costs, may impact growth or new business strategies. 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 failure to address and manage the environmental, social, and governance concerns may impact the Group's reputation, financial performance, business sustainability, ethical performance, or result in regulatory fines. The country is highly vulnerable to typhoons, floods, and rising sea levels and may impact infrastructure and disrupt operations. The increasing frequency and severity of such events can increase climate-related financial risks. The Group is mindful that understanding and managing ESG risks is crucial to its long-term sustainability and resilience. HI developed its enterprise sustainability management framework which provides guidance on sustainability management. ESG considerations and sustainability are integrated into the Company's businesses' organizational activities and processes and the enterprise risk management. The Company has invested in the digitalization of sustainability and risk management to better manage the ESG risks.

Operational Risk

The inefficiencies and/or failure of internal processes and/or systems, non-compliance with policies and regulatory requirements, human errors in the conduct of the Groups' daily activities may result to financial losses. Technology is transforming the way business operate, failure to adapt to the

technological change may result in inefficiency or disrupt operations. Disruptions in operations not only affect service delivery but can impact stakeholder trust and legal compliance. 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.

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, 2024.

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
HOUSE OF INVESTMENTS, INC.		
Quezon Avenue	2002	Industrial
SAN LORENZO INVESTMENT HOLDINGS AND SERVICES, INC.		
Sen. Gil Puyat Ave., Makati	2019	For development
ATYC, INC.		
Bonifacio Global City, Taguig	2022	Office/Commercial
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
Lacson St, Bacolod City	1972	Land - Commercial
Lacson St, Bacolod City	1973	Office/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

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
Binondo, Manila	2010	Condominium Office Unit
Binondo, Manila	2010	Condominium Office Unit
Binan, Laguna	2018	Office/Commercial
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
UNIVERSITY OF NUEVA CACERES		
J. Hernandez Ave., Naga City	2019	School Campus
AC COLLEGE OF ENTERPRISE AND TECHNOLOGY, INC.		
San Jose del Monte City, Bulacan	2019	Vacant Lot

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

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
HI CARS, INC.		
Dealership	Paco, Manila	2026
Dealership	Paco, Manila	2026
Dealership	Commonwealth, QC	2034
Service Center	Tandang Sora, QC	2028
Dealership	Leyte	2030
Warehouse	Leyte	2029
Dealership	Greenhills, Mandaluyong	2028
Dealership	Quezon Avenue, QC	2027
MALAYAN INSURANCE COMPANY, INC.		
Branch	Laoag	2025
Branch	Legazpi	2025
Branch	Tuguegarao	2026
Branch	Subic	2026
Branch	Naga	2025
Branch	Ortigas	2026
Branch	Quezon Ave	2025
Branch	Lipa	2025
Branch	Tagum	2027
Branch	Imus	2025
Branch	Baliuag	2025
Office	Binondo	2025

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
Office	Binondo	2025
Office	Binondo	2025
Office	Binondo	2025
Office	Binondo	2025
Branch	Alabang	2025
Branch	Cabanatuan	2025
Branch	Baguio	2025
Branch	Calamba	2025
Branch	Cebu	2025
Branch	General Santos	2025
Branch	Iloilo	2025
Branch	Palawan	2025
Branch	Tagbilaran	2025
Branch	CDO	2025
Branch	Dumaguete	2025
Branch	Dagupan	2025
Branch	General Santos	2025
Branch	Butuan	2025
Branch	Laguna	2025

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 and its subsidiaries is involved in disputes that arise in the ordinary course of its business such as labor disputes pending before the NLRC and criminal cases which it filed against erring employees pending before the courts of general jurisdiction. The Company's management believes that these suits will ultimately be settled and/or decided in its favor and will not adversely affect its 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 9, 2024.

2. Management Discussion and Analysis of Financial Condition and Results of Operations

Management Discussion and Analysis

CONSOLIDATED RESULTS

Year 2024 vs. 2023

RESULTS OF OPERATIONS

2024 vs 2023

	Period Ended December 31				
	2024	2023	2022	% Change	% to Revenues
REVENUES	36,096,981,006	11,094,211,630	9,478,680,114	225.4%	100.0%
COSTS OF SALES AND SERVICES	27,949,445,942	8,067,570,593	6,873,239,184	246.4%	77.4%
GROSS PROFIT	8,147,535,064	3,026,641,037	2,605,440,930	169.2%	22.6%
GENERAL AND ADMINISTRATIVE EXPENSE	(5,001,533,998)	(1,680,825,829)	(1,570,794,443)	197.6%	(13.9)%
OTHER INCOME	688,822,300	243,482,184	311,999,656	182.9%	1.9%
EQUITY IN NET EARNINGS OF ASSOCIATES	81,479,896	116,716,080	530,888,513	(30.2)%	0.2%
INTEREST AND FINANCE CHARGES	(630,532,352)	(525,779,116)	(271,576,420)	19.9%	(1.7)%
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	3,285,770,910	1,180,234,356	1,605,958,236	178.4%	9.1%
PROVISION FOR INCOME TAX	(607,080,589)	(138,322,300)	(48,404,042)	338.9%	(1.7)%
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	2,678,690,321	1,041,912,056	1,557,554,194	157.1%	7.4%
<i>Deconsolidated Operations</i>					
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	-	(426,307,138)	166,789,425	(100.0)%	0.0%
NET INCOME (LOSS)	2,678,690,321	615,604,918	1,724,343,619	335.1%	7.4%

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%
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%
	167,643,943,122	159,964,432,421	7,679,510,701	4.8%	100.0%

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

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

Total non-current assets grew by 11%, primarily due to various investments made by the insurance companies, increase in the market value of the Group's properties and additional costs related to the ongoing property development under the Property sector. Investments in associates and joint ventures decreased due to the reclassification of the remaining 15% equity interest in EEI as an investment in Fair Value through Other Comprehensive Income (FVOCI) following the loss of significant influence. Increase in investment property reflects the reclassification of the Parent company's property previously recorded under property, plant and equipment. The increase in deferred tax assets was primarily driven by the insurance companies. Right of use assets increased mainly due to renewal of leases from automotive segment. Increases in both the retirement asset and deferred acquisition cost were largely attributable to the financial services group, while increase in other non-current assets was mainly due to input taxes related to the ongoing construction activities of the property group.

	Dec-2024	Dec-2023	Change (P)	% Change	% to Assets
LIABILITIES and EQUITY					
Current Liabilities					
Accounts payable and other current liabilities	9,883,117,824	7,649,852,076	2,233,265,748	29.2%	5.9%
Loans payable	5,635,000,000	3,971,142,021	1,663,857,979	41.9%	3.4%
Segregated fund liabilities	42,142,462,815	37,569,985,225	4,572,477,590	12.2%	25.1%
Current portion of long term debt	32,573,600	32,573,600	-	0.0%	0.0%
Current portion of contract liabilities	1,464,893,638	1,147,189,447	317,704,191	27.7%	0.9%
Current portion of insurance contract liabilities	31,956,515,864	37,422,659,896	(5,466,144,032)	-14.6%	19.1%
Current portion of lease liability	167,708,899	97,874,024	69,834,875	71.4%	0.1%
Income tax payable	139,014,263	39,956,012	99,058,251	247.9%	0.1%
Due to related parties	148,011,591	89,378,588	58,633,003	65.6%	0.1%
Total Current Liabilities	91,569,298,494	88,020,610,889	3,548,687,605	4.0%	54.6%
Noncurrent Liabilities					
Long-term debt - noncurrent portion	2,682,729,050	2,709,237,650	(26,508,600)	-1.0%	1.6%
Contract liabilities - noncurrent portion	112,250,951	124,339,470	(12,088,519)	-9.7%	0.1%
Insurance contract liabilities - noncurrent portion	15,747,336,991	14,026,067,186	1,721,269,805	12.3%	9.4%
Lease Liability - noncurrent	562,687,392	510,109,278	52,578,114	10.3%	0.3%
Deferred tax liabilities	2,101,968,409	1,990,204,297	111,764,112	5.6%	1.3%
Retirement liabilities	847,990,521	684,971,030	163,019,491	23.8%	0.5%
Deferred reinsurance commissions	245,799,378	198,267,206	47,532,172	24.0%	0.1%
Other noncurrent liabilities	899,972,615	1,486,005,501	(586,032,886)	-39.4%	0.5%
Total Noncurrent Liabilities	23,200,735,307	21,729,201,618	1,471,533,689	6.8%	13.8%
Total Liabilities	114,770,033,801	109,749,812,507	5,020,221,294	4.6%	68.5%
Equity					
Attributable to equity holders of the Parent Company					
Common stock	2,201,795,746	2,201,795,746	-	0.0%	1.3%
Additional paid in capital	14,808,241,606	14,808,241,606	-	0.0%	8.8%
Equity reserve on acquisition of noncontrolling interest	(806,224,306)	(868,077,101)	61,852,795	-7.1%	-0.5%
Revaluation increment on land	3,779,148,385	3,289,823,486	489,324,899	14.9%	2.3%
Cumulative translation adjustment	47,177,851	46,376,718	801,133	1.7%	0.0%
Changes in fair value of equity investments carried at FVOCI	(352,644,065)	(47,667,218)	(304,976,847)	639.8%	-0.2%
Remeasurement losses on net retirement liability	(59,802,377)	(18,380,971)	(41,421,406)	225.3%	0.0%
Remeasurement on legal policy reserves	(13,652,322)	-	(13,652,322)	N/A	0.0%
Retained Earnings					
Unappropriated	11,813,200,762	7,390,657,134	4,422,543,628	59.8%	7.0%
Appropriated	1,700,000,000	5,200,000,000	(3,500,000,000)	-67.3%	1.0%
Noncontrolling interest	33,117,241,280	32,002,769,400	1,114,471,880	3.5%	19.8%
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

HOUSE OF INVESTMENTS INC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022 (Re-Stated)	2021 (Re-Stated)	% Change	% to Revenues
Continuing Operations					
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%
	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.

Year 2022 vs. 2021

RESULTS OF OPERATIONS

For the period ending 31 December 2022, the Group registered a net income of P1,724.34 million, which is 6% higher than last year's net income of P1,627.77 million.

Consolidated revenues were slightly higher at P23,905.29 million compared to previous year's P23,599.07 million. Sales of services, which pertain mainly to revenues generated by the Construction sector, dropped from P16,667.31 million to P15,462.41 million. This is primarily due to completion of its major projects. On the other hand, sales from Automotive sector registered 26% growth, while revenues from Education sector grew by 18%, due to higher enrollment.

Cost of sales and services dropped by 2% due to significant reduction in the costs of the Construction sector. Whereas, GAE increased by 14%. The increase is attributable to higher (a) utilities, resulting from resumption of face-to-face classes and more employees reporting back to the offices; (b) security, janitorial and other services, which are attributable to increase in manpower and increase in daily wage rates; (c) advertising and promotions expense, as the group intensified its marketing activities; and (d) commissions and direct selling expenses related to the increase of sales in the automotive sector. Increase in other income pertains mainly to gain on sale of property and reversal of prior period provisions.

Equity in net earnings of associates dropped from P1,430.34 million to P425.03 million this year, primarily due to losses incurred by the foreign affiliate of the Construction sector. Interest and finance charges were down from P708.37 million to P669.70 million, due to lower level of debts compared to last year.

FINANCIAL POSITION

Total consolidated assets of the Group stood at P65.23 billion from P57.19 billion in December 2021.

Total current assets went down to P19.87 billion from P24.90 billion. Cash and cash equivalents decreased mainly due to payment of loans and dividends to preferred shareholders of the Construction sector. Contract assets decreased due to conversion of production into billed receivables. Receivable from related parties increased due to charges to a foreign affiliate relative to recruitment costs. Prepaid expenses and other current assets increased due to additional advances to suppliers and subcontractors of the Construction sector.

Total noncurrent assets increased from P32.29 billion to P45.35 billion, mainly due to the acquisition of property investment located in Taguig City. Equity investments in fair value through other comprehensive income increased due to higher market value of quoted securities. Increase in investments in associates and joint ventures pertains mainly to equity earnings intake as of the period. Increase in the right-of-use assets pertains to new leased property. Retirement asset increased as a result of the cost-cutting measures implemented by the Construction sector. Increase in other non-current assets pertains to the non-current portion of the unapplied certificates of creditable withholding taxes, and contract assets from retentions on projects of Construction group.

Total consolidated liabilities increased from P27.08 billion to P29.36 billion.

Total current liabilities went up from P17.56 billion to P21.53 billion. The increase pertains primarily to the loans taken out by the Property sector to finance the purchase of property in Taguig. Contract liabilities pertain to unearned tuition fees and current construction contract obligations, which are reduced as the corresponding revenue is recognized during the period. The net increase for the period pertains to advances received by the Construction sector for its new projects. Net movement in lease liabilities was due to the additional lease agreement entered into by the Construction sector.

Total noncurrent liabilities were reduced from P9.52 billion to P7.83 billion, as the Group continuously settles its debts.

Contract liabilities net of current portion refers to contract obligations of the Company for the projects classified as non-current with completion date beyond one year after balance sheet date. Accrued retirement liability dropped from P0.22 billion to P0.20 billion. Reduction in other non-current liabilities pertains primarily to reclassification of retention payables of Construction sector to current.

Total consolidated equity increased to P35.86 billion from P30.12 billion, while total consolidated retained earnings increased to P12.25 billion from P11.08 billion in December 2021.

Financial Ratios

Below are the financial ratios that are relevant to the Group's for the years ended December 31, 2024 and 2023:

Financial ratios		2024	2023
Current ratio	Current Assets	0.92:1	0.97:1
<i>Indicates the Group's ability to pay short-term obligation</i>	Current Liabilities		
Solvency Ratio	Net Income + Depreciation	0.03:1	0.01:1
<i>Shows how likely a company will be to continue meeting its debt obligations</i>	Total liabilities		
Debt-to-equity ratio	Total Debt	2.17:1	2.19:1
<i>Measures the Group's overall leverage</i>	Total Equity		
Asset to Equity Ratio	Total Assets	3.17:1	3.19:1
<i>Measures the group's leverage and long-term solvency</i>	Total Equity		
Interest Rate Coverage	EBIT*	6.21:1	3.24:1
<i>Shows how easily a company can pay interest on outstanding debt</i>	Interest Expense		
Return on Assets	Net Income	1.64%	0.55%
<i>Measure the ability to utilize the Group's assets to create profits</i>	Average Total Assets		
Return on Equity	Net Income	5.20%	1.43%
<i>Reflects how much the Group's has earned on the funds invested by the stockholders</i>	Average Total Equity		

*Earnings before interest and taxes

Current ratio is lower at 0.92 in 2024 compared to 0.97 in 2023. This was mainly due to lower reinsurance assets of the insurance sector.

Solvency ratio is higher at 0.03 in 2024 against 0.01 in 2023. This is mainly due to increase in net income mainly attributable to financial services group, which were not present last year.

Debt-to-Equity ratio measures the Group's leverage. It decreased from 2.19 to 2.17 this year, driven by higher equity coming from the financial services sector.

Asset-to-Equity ratio decreased from 3.19 to 3.17, which is primarily due to equity contributions from the financial services sector.

Interest Rate Coverage ratio shows how easily a company can pay interest on outstanding debt. It is higher at 6.21 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 2024 increased to 1.64 from 0.55 in 2023. 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 2023 went up to 5.20 from 1.43 in 2023 largely due to the higher income posted in 2024, mainly contributed by the financial services sector.

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.

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

PERIOD	STOCK PRICE	
	HIGH	LOW
2025 Second Quarter	3.53	3.26
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 June 23, 2025 (latest practicable trading date) is at P3.40 for high and low.

b. Stockholders

The top 20 owners of common stock as of May 31, 2025 are as follows:

STOCKHOLDER	COMMON SHARES	% OF TOTAL
Pan Malayan Management & Investment Corp.*	692,463,366	47.13%
PCD Nominee Corp – Filipino	424,607,544	28.90%
GPL Holdings, Inc.*	295,133,148	20.09%
PCD Nominee Corp – Non-Filipino	14,591,317	0.99%
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.	726,720	0.05%
RP Land Development Corp.*	627,000	0.04%
Lim, Tek Hui	485,320	0.03%
EBC Securities Corporation	482,240	0.03%
Dee, Helen Y. ITF: Michelle	420,170	0.03%
Bardey, John C.	404,880	0.03%
Wilson, Cathleen Ramona	692,463,366	47.13%
Siguion-Reyna, Leonardo	424,607,544	28.90%
SUB TOTAL	1,459,590,815	99.34%
Others	9,711,415	0.66%
TOTAL	1,469,302,230	100.00%

House of Investments has a total of 366 common shareholders owning a total of 1,469,302,230 shares as of May 31, 2025.

* Represents certificated shares only.

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
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.

The cash dividends declared by its major subsidiary, iPeople, Inc. are as follows:

YEAR	DIVIDEND PER COMMON SHARE	TOTAL AMOUNT
2025	P0.24825	P259.24 M
2024	P0.19000	P198.41 M
2023	P0.19000	P198.41 M

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.

Description of Registrant's 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



ANNEX “D”

**HOUSE OF INVESTMENTS, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

AND

REPORT OF INDEPENDENT AUDITOR

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	5	3	9	3							
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COMPANY NAME

H	O	U	S	E		O	F		I	N	V	E	S	T	M	E	N	T	S	,		I	N	C	.		A	N	D
	S	U	B	S	I	D	I	A	R	I	E	S																	

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

9	t	h		F	l	o	o	r	,		G	r	e	p	a	l	i	f	e		B	u	i	l	d	i	n	g	,
	2	2	1		S	e	n	.		G	i	l		J	.		P	u	y	a	t		A	v	e	n	u	e	,
	M	a	k	a	t	i		C	i	t	y	,		M	e	t	r	o		M	a	n	i	l	a				

Form Type

1	7	-	A
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Department requiring the report

C	R	M	D
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Secondary License Type, If
Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.hoi.com.ph

Company's Telephone Number

8815-9636 to 38

Mobile Number

N/A

No. of Stockholders

367

Annual Meeting (Month / Day)

August 6

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Maria Teresa T. Bautista

Email Address

mtbautista@hoi.com.ph

Telephone Number/s

8815-9636

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

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

NOTE1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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



**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, 2024, 2023 and 2022, 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

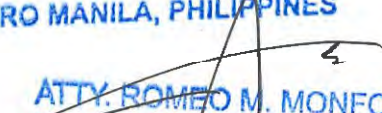

LORENZO V. TAN
President and Chief Executive Officer


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

Signed this APR 29 2025 day of 2025

Doc No. 311 :
Page No. 65 :
Book No. 17 :
Series of 20 25 :

APR 29 2025
SUBSCRIBED AND SWORN TO BEFORE ME THIS ____ DAY OF ____
MAKATI CITY, METRO MANILA, PHILIPPINES


ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2025
Appointment No. M-032 (2024-2025)
PTR No. 10466008 Jan. 2, 2025/Makati City
IBP No. 488534 Dec. 27, 2024
MCLE NO. VII-0027570 Roll No. 27932
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 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) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have 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.

Recoverability of Nonfinancial Assets

Under PFRS Accounting Standards, the Group is required to annually test for impairment the nonfinancial assets such as the goodwill, intellectual property rights with infinite life and for those nonfinancial assets with finite useful life, whenever there are indicators of impairment. These nonfinancial assets are considered significant to the consolidated financial statements and management's assessment process involves judgments and is based on assumptions which are subject to higher level of estimation uncertainty. The assumptions used in estimating the discounted cash flow projections include forecasted revenue, long-term growth rates, royalty rates, and discount rates.

Relevant disclosures related to this matter are provided in Notes 23 and 24 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodology and assumptions used. We obtained an understanding of the Group's impairment model and the assumptions on the key business drivers of the cash flow forecasts such as the revenue. We checked the Group's key assumptions and also compared them against historical performance. We compared the long-term growth rates and royalty rates against relevant published market information. We tested the parameters used in the determination of discount rates against market data. In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the impairment tests is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of these assets.

Estimation of Insurance Contract Liabilities

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

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



Audit Response

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 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 PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

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



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

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

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

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

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño
Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

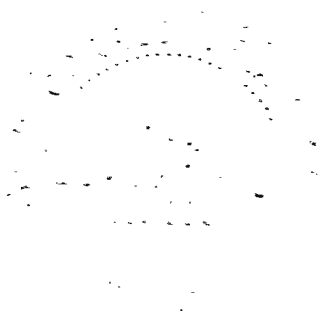
Tax Identification No. 225-158-629

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

BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465259, January 2, 2025, Makati City

April 14, 2025



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

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	₱8,293,005,389	₱6,633,047,805
Receivables (Note 9)	11,262,666,490	11,685,674,611
Segregated fund assets (Note 11)	42,142,462,815	37,569,985,225
Reinsurance assets (Note 12)	18,355,961,194	24,230,398,085
Inventories (Note 13)	398,314,089	496,661,387
Loans receivable (Note 14)	2,059,584,359	1,865,811,107
Receivables from related parties (Note 29)	4,534,187	17,279,419
Assets held for sale (Note 17)	–	337,378,019
Prepaid expenses and other current assets (Note 15)	2,164,480,345	2,060,908,494
Total Current Assets	84,681,008,868	84,897,144,152
Noncurrent Assets		
Financial assets at fair value through profit or loss (FVTPL) (Note 16)	7,903,390,740	6,422,981,790
Equity investments at fair value through other comprehensive income (FVOCI) (Note 16)	25,550,142,935	22,847,990,404
Investment securities at amortized cost (Note 16)	4,379,302,139	3,312,776,303
Investments in associates and joint ventures (Note 18)	4,874,309,874	6,019,840,170
Property and equipment (Note 20)		
At revalued amount	15,015,152,509	15,469,825,819
At cost	9,037,246,462	7,073,528,753
Investment properties (Note 19)	12,395,384,044	10,895,830,103
Deferred tax assets - net (Note 37)	1,027,522,831	831,675,971
Right-of-use assets (Note 22)	610,840,289	486,018,030
Goodwill (Note 23)	176,176,264	183,970,413
Retirement assets (Note 36)	147,337,007	21,302,255
Deferred acquisition costs (Note 21)	527,720,153	499,447,146
Other noncurrent assets (Note 24)	1,318,409,007	1,002,101,112
Total Noncurrent Assets	82,962,934,254	75,067,847,071
Total Assets	₱167,643,943,122	₱159,964,432,421

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other current liabilities (Note 25)	₱9,883,117,824	₱7,649,852,076
Loans payable (Note 26)	5,635,000,000	3,971,142,021
Segregated fund liabilities (Note 11)	42,142,462,815	37,569,985,225
Current portion of long-term debt (Note 27)	32,573,600	32,573,600
Current portion of contract liabilities (Note 10)	1,464,893,638	1,147,189,447
Insurance contract liabilities - current portion (Note 28)	31,956,515,864	37,422,659,896
Current portion of lease liabilities (Note 22)	167,708,899	97,874,024
Income tax payable	139,014,263	39,956,012
Due to related parties (Note 29)	148,011,591	89,378,588
Total Current Liabilities	91,569,298,494	88,020,610,889

(Forward)



	December 31	
	2024	2023
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 27)	₱2,682,729,050	₱2,709,237,650
Contract liabilities - net of current portion (Note 10)	112,250,951	124,339,470
Insurance contract liabilities - net of current portion (Note 28)	15,747,336,991	14,026,067,186
Lease liabilities - net of current portion (Note 22)	562,687,392	510,109,278
Deferred tax liabilities - net (Note 37)	2,101,968,409	1,990,204,297
Retirement liabilities (Note 36)	847,990,521	684,971,030
Deferred reinsurance commissions (Note 21)	245,799,378	198,267,206
Other noncurrent liabilities (Note 19)	899,972,615	1,486,005,501
Total Noncurrent Liabilities	23,200,735,307	21,729,201,618
Total Liabilities	114,770,033,801	109,749,812,507
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	(806,224,306)	(868,077,102)
Revaluation increment on land - net (Note 20)	3,779,148,385	3,289,823,486
Cumulative translation adjustments	47,177,851	46,376,718
Fair value reserve of equity investments at FVOCI (Note 16)	(352,644,065)	(47,667,218)
Remeasurement loss on retirement obligation (Note 36)	(59,802,377)	(18,380,970)
Remeasurement on legal policy reserves	(13,652,322)	–
Retained earnings (Note 40)		
Unappropriated	11,813,200,762	7,390,657,134
Appropriated	1,700,000,000	5,200,000,000
	33,117,241,280	32,002,769,400
Non-controlling interests (Note 40)	19,756,668,041	18,211,850,514
Total Equity	52,873,909,321	50,214,619,914
Total Liabilities and Equity	₱167,643,943,122	₱159,964,432,421

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2024	2023	2022
REVENUE (Note 30)	₱36,096,981,006	₱11,094,211,630	₱9,478,680,114
COSTS OF SALES AND SERVICES (Notes 13 and 31)	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 EXPENSES (Note 33)	(5,001,533,998)	(1,680,825,829)	(1,570,794,443)
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 18)	81,479,896	116,716,080	530,888,513
INTEREST AND FINANCE CHARGES (Notes 26, 27, 22 and 35)	(630,532,352)	(525,779,116)	(271,576,420)
OTHER INCOME - Net (Note 32)	688,822,300	243,482,184	311,999,656
INCOME BEFORE INCOME TAX	3,285,770,910	1,180,234,356	1,605,958,236
PROVISION FOR INCOME TAX (Note 37)	607,080,589	138,322,300	48,404,042
NET INCOME FROM CONTINUING OPERATIONS	2,678,690,321	1,041,912,056	1,557,554,194
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS (Notes 6 and 7)	—	(426,307,138)	166,789,425
NET INCOME	₱2,678,690,321	₱615,604,918	₱1,724,343,619
Net income attributable to:			
Equity holders of the Parent Company	₱1,375,145,646	₱440,794,487	₱1,174,088,374
Non-controlling interests	1,303,544,675	174,810,431	550,255,245
	₱2,678,690,321	₱615,604,918	₱1,724,343,619
EARNINGS PER SHARE (Note 38)			
Basic/diluted earnings per share attributable to Equity holders of the Parent Company	₱0.9359	₱0.3000	₱1.1270

See accompanying Notes to Consolidated Financial Statements.



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

	Years Ended December 31		
	2024	2023	2022 (As restated - Notes 6 and 7)
NET INCOME	₱2,678,690,321	₱615,604,918	₱1,724,343,619
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Cumulative translation adjustments	15,744,598	(3,276,506)	142,920,866
Share in other comprehensive gain (loss) of an associate (Note 18)	5,204,573	(36,052,847)	106,387,771
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Revaluation increment on land (Note 20)	1,101,121,690	2,264,799,251	1,362,576,732
Changes in fair value of equity investments carried at FVOCI (Note 16)	(424,705,830)	(16,781,845)	46,383,342
Remeasurement gain (loss) on net retirement (Note 36)	(85,850,216)	(43,989,856)	258,091,615
Remeasurement on legal policy reserves	(26,769,259)	—	—
Income tax effect	(114,881,358)	(249,065,653)	(239,052,304)
	469,864,198	1,915,632,544	1,677,308,022
TOTAL COMPREHENSIVE INCOME	₱3,148,554,519	₱2,531,237,462	₱3,401,651,641
Total comprehensive income attributable to:			
Equity holders of the Parent Company	₱1,460,404,548	₱1,384,307,155	₱2,269,856,628
Non-controlling interests	1,688,149,971	1,146,930,306	1,131,795,013
	₱3,148,554,519	₱2,531,237,461	₱3,401,651,641

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, 2024, 2024 and 2023

	Attributable to Equity Holders of the Parent Company											Non-controlling interests (Note 39)	Total
	Capital stock (Note 39)	Additional paid-in capital	Equity reserve on acquisition of non-controlling interest	Revaluation increment on land - net (Note 20)	Cumulative translation adjustments (Notes 18)	Fair Value reserve of equity investments at FVOCI (Note 16)	Remeasurement on legal policy reserves	Remeasurement loss on retirement (Note 36)	Retained earnings		Subtotal		
									Unappropriated (Note 40)	Appropriated (Note 40)			
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	₱50,214,619,914
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)	–	–	85,258,904	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	–	1,460,404,550	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	–	–	–	(75,107,937)	(13,057,311)	80,158,119	–	32,203,598	(24,196,469)	–	–	–	–
Sale of FVOCI adjustments	–	–	–	–	–	(60,859,563)	–	–	60,859,563	–	–	–	–
Dividend declaration (Note 40)	–	–	–	–	–	–	–	–	(73,465,112)	–	(73,465,112)	–	(73,465,112)
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)	₱11,933,920,963	₱1,700,000,000	₱33,237,961,481	₱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)	(105,173,085)	(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	–	–	–	–	–	–	–	–	–	–	–	(112,979,166)	(112,979,166)
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	₱50,214,619,914
As at January 1, 2022	₱1,162,540,326	₱154,578,328	₱1,598,421,700	₱1,445,367,746	₱271,303,940	₱67,330,660	₱–	(₱101,768,611)	₱3,570,659,388	₱7,505,355,000	₱15,673,788,477	₱14,441,764,107	₱30,115,552,584
Net income	–	–	–	–	–	–	–	–	1,174,088,374	–	1,174,088,374	550,255,245	1,724,343,619
Other comprehensive income	–	–	–	883,594,568	80,797,577	43,669,863	–	87,706,244	–	–	1,095,768,252	581,539,770	1,677,308,022
Total comprehensive income	–	–	–	883,594,568	80,797,577	43,669,863	–	87,706,244	1,174,088,374	–	2,269,856,626	1,131,795,015	3,401,651,641
Movement in equity	–	–	–	(110,489,132)	–	–	–	–	199,655,100	–	89,165,968	(89,165,968)	–
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	–	–	–	(485,316,910)	(485,316,910)
Movement in non-controlling interest	–	–	333,585,749	–	–	–	–	–	–	–	333,585,749	2,498,910,191	2,832,495,940
As at December 31, 2022	₱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

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations	₱3,285,770,910	₱1,180,234,356	₱1,605,958,235
Income (loss) before income tax from deconsolidated operations	—	(247,702,593)	236,601,852
Income before income tax	3,285,770,910	932,531,763	1,842,560,087
Adjustments for:			
Depreciation, amortization and impairment (Notes 33 and 34)	937,620,521	984,350,548	1,179,698,333
Interest and finance charges (Notes 35)	630,532,352	740,275,851	669,698,366
Dividend income	(219,400,883)	(816,700)	(10,614,069)
Interest income (Note 32)	(183,645,419)	(139,048,319)	(107,629,251)
Market gain on financial asset at fair value through profit or loss (FVTPL)	(176,391,856)	—	(118,787)
Unrealized foreign exchange loss (gain)	(131,095,843)	3,458,049	(40,582,623)
Movements in net retirement liabilities	121,598,085	27,042,493	64,776,084
Gain on sale of:			
Investment properties (Notes 19)	(16,206,205)	—	(2,052,300)
Property and equipment (Notes 20)	(13,147,803)	(5,383,232)	(383,220,587)
Equity in net earnings of associates and joint venture (Note 18)	(81,479,896)	(116,716,080)	(425,036,868)
Operating income before working capital changes	4,154,153,963	2,425,694,373	2,787,478,386
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	482,635,749	(586,976,413)	(522,250,702)
Reinsurance assets	5,874,436,891	—	—
Contract assets	—	—	(1,607,138,174)
Inventories	98,347,298	(121,447,874)	38,239,688
Prepaid expenses and other current assets	(29,397,674)	(174,800,420)	(444,439,385)
Increase (decrease) in:			
Accounts payable and other current liabilities	2,233,265,749	284,384,730	(13,652,127)
Contract liabilities	305,615,672	318,600,218	535,668,114
Insurance contracts - net	(3,744,874,227)	—	—
Other noncurrent liabilities	(659,220,915)	161,779,141	707,181,820
Net cash generated from operations	8,714,962,506	2,307,233,755	1,481,087,620
Interest received	80,690,640	165,963,537	107,629,251
Income tax paid, including creditable withholding taxes	(463,382,428)	(150,740,171)	(127,916,137)
Interest and finance charges paid	(630,532,352)	(897,608,931)	(669,698,366)
Net cash flows provided by operating activities	7,284,769,971	1,424,848,190	791,102,368

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in fair value through other comprehensive income investments	₱—	(₱213,650,000)	₱1,200,000
Changes in other noncurrent assets	(491,870,760)	(362,630,099)	(1,020,166,692)
Proceeds from sale of:			
Property and equipment (Note 20)	13,147,803	24,979,828	713,586,006
Investment properties (Note 19)	1,166,888	—	420,504
Financial assets at FVTPL, FVOCI and Amortized costs	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	279,856,731	77,532,868	345,055,362
Acquisitions of:			
Computer software (Note 24)	(50,875,144)	(13,519,989)	(17,403,328)
Investments in associates and joint ventures	(174,432,352)	—	(47,761,482)
Financial assets at FVTPL, FVOCI and Amortized costs	(7,317,876,965)	—	—
Property and equipment	(1,976,865,511)	(1,780,281,531)	(856,119,690)
Investments properties (Note 19)	(145,556,063)	(2,737,129,912)	(6,155,975,000)
Net cash flows used in investing activities	(6,773,929,217)	(5,159,151,169)	(7,037,164,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
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)	—
Cash dividends paid	(813,119,616)	(38,823,264)	(485,316,910)
Changes in non-controlling interests	—	—	3,015,301,881
Payment of lease	122,412,989	(149,706,182)	(107,531,867)
Receipts (disbursements) from related party transactions	71,378,235	42,810,910	(32,674,629)
Proceeds from:			
Loans payable	4,163,500,000	3,175,000,000	16,510,806,863
Long-term debt - net of transaction cost	6,065,000	2,138,533,920	2,419,177,388
Payments of:			
Loans payable (Note 26)	(2,499,642,021)	(4,020,857,979)	(14,000,276,041)
Long-term debt (Note 27)	(32,573,600)	(1,532,573,600)	(3,540,026,072)
Net cash flows provided by financing activities	1,018,020,987	3,740,341,475	3,779,460,613
EFFECTS OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	131,095,843	(3,458,049)	40,582,623
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	1,659,957,584	2,580,448	(2,426,018,716)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	6,633,047,805	6,630,467,357	9,056,486,073
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)			
	₱8,293,005,389	₱6,633,047,805	₱6,630,467,357

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

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

The Parent Company undertook a portfolio realignment with a bias for recurring income and growth in 2023. As a result, the core business focus of the 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, Deathcare and Construction. 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 14, 2025.

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, included as part of “Prepaid expenses and other current assets,” 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:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				2024	2023	2024	2023
				Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	100.00	—	100.00	—
Landev Corporation	Philippines	Property management	Philippine Peso	100.00	—	100.00	—
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	60.00	—	60.00	—
ATYC, Inc. (ATYC)	Philippines	Property leasing	Philippine Peso	100.00	—	100.00	—
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	—	100.00	—	100.00
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	—	100.00	—	100.00
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	—	100.00	—	100.00
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	50.00	13.00	50.00	13.00
EEl Corporation (EEI) ^(a)	Philippines	Construction	Philippine Peso	—	—	21.00	—
iPeople, inc. (IPO)	Philippines	Education and Information Technology	Philippine Peso	49.99	—	48.18	—
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	Philippines	Education and Information Technology	Philippine Peso	—	99.79	—	99.79
University of Nueva Caceres	Philippines	Education and Information Technology	Philippine Peso	—	83.62	—	83.62
AC College of Enterprise and Technology, Inc	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	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. ^(d)	Philippines	Real estate	Philippine Peso	100.00	—	100.00	—
RCBC Trust Corporation ^(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.

(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 RBCB 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%.

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 2024. 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 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - o That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - o That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - o That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued But Not Yet Effective

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

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11



- o Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- o Amendments to PFRS 7, *Gain or Loss on Derecognition*
- o Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- o Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- o Amendments to PAS 7, *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:

- o A specific adaptation for contracts with direct participation features (the variable fee approach)
- o 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. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the International Accounting Standards Board (IASB).

Further, 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).

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

PFRS 17 will affect how the Company account for insurance contracts and how it reports financial performance in the statements of comprehensive income. The Company is currently assessing the impact that PFRS 17 will have on the financial statements.

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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. 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, 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 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 under Other noncurrent 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, 2024 and 2023.

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.

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.

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.

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. 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

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 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 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 statement of financial position.

Onerous contracts

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

Contract balances arising from revenue with customer contracts

Receivables

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

Contract assets

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



Contract liabilities

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

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

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

Interest income on investment securities at amortized cost and FVOCI

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

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

Interest income on financial assets at FVTPL

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

Trading and securities gain (loss) - net

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

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

Expenses

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

Cost of sales and services

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



General and administrative expenses

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

Inventories

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

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

The cost of real estate inventories includes (a) land cost; (b) freehold and leasehold rights for land; (c) amounts paid to contractors for construction; (d) planning and design cost, cost of site preparation, professional fees, property taxes, construction overheads and other related costs that are directly attributable in bringing the real estate inventories to its intended condition.

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

Materials issued but still uninstalled to construction projects are not considered as part of computation for percentage of completion of projects.

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 venture 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.

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	
				2024	2023
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC) ^(a)	Philippines	Renewable energy	Philippine peso	30.57	29.10

(Forward)



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2024	2023
PetroGreen Energy Corporation (PGEC) ^(b)	Philippines	Renewable energy	Philippine peso	—	—
T'boli Agro-Industrial Development, Inc.	Philippines	Agriculture	Philippine peso	—	—
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 ^(c)	Philippines	Construction	Philippine peso	—	21.00

(a) In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%.

(b) In 2022, the Parent Company's indirect investment in PGEC, a subsidiary of PERC, was reduced from 10% to 8.55% due to sale of shares to Kyuden International Corporation (KIC). In 2023, PGEC applied for increase in authorized capital stock, which was subscribed and issued to KIC, this further reduced the Group's indirect investment from 8.55% to 7.50%.

(c) 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 P1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signifies loss of control over the subsidiary. This resulted to derecognition of EEI assets in the Group's financial statements. 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%.

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	32.5
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.

Property and Equipment

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	5 to 40
Machinery, tools, and construction equipment	2 to 20
Transportation and service equipment	5
Furniture, fixtures and office equipment	3 to 10

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.

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

In 2023, the Group accounted for its share swap transaction as combination of entities under common control accounted for by applying the pooling-of-interests method. 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 less incentives received.

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

	Years
Land, land improvements and sites	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.

Sale and leaseback

When entering into a sale and leaseback transaction, the Group determines whether the transfer qualifies as a sale based on the requirements satisfying a performance obligation under PFRS 15.

When the transfer of the asset is a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group. Gain or loss is recognized only at the amount that relates to the rights transferred to the buyer-lessor.

When the transfer of the asset is not a sale under PFRS 15 requirements, the Group continues to recognize the asset in its statement of financial position and accounts for the proceeds from the sale and leaseback as a financial liability in accordance with PFRS 9.

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 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 insurance contract liabilities

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

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

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

Insurance contracts with fixed and guaranteed terms

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

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

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

Provision is also made for the cost of claims incurred but not reported (IBNR) as of the reporting date based on the Group’s experience. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statement of income in later years. Policy and contract claims payable forms part of the insurance contract liability section of the 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 Parent Company with consideration received from the policyholders. As allowed by PFRS 4, the Parent Company 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 Parent Company 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.

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.

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.

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 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 statement 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 statement 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 statement of income.

Retirement Cost

Defined benefit plan

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

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

Defined benefit costs comprise the following:

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



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

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

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

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

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

Income Tax

Current tax

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

Deferred tax

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

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

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



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

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

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

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

Basic and Diluted Earnings Per Share (EPS)

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

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

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

Provisions

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

Contingencies

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



Stock Option Plan

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

Segment Reporting

The Group's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 37.

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 has determined that it is still the largest stockholder of IPO with 48.18% 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 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 (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 (Note 23).

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, 2024 and 2023, 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%.

Combination of Entities under Common Control

A combination involving entities or businesses under common control is 'a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory'. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group.

The share swap transaction entered into by the Parent Company with PMMIC and GPLH for acquisition of insurance business were determined to be common control business combinations (see Note 39).

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.

Estimates

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



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 ₱0.73 billion and ₱0.61 billion as of December 31, 2024 and 2023, respectively (see Note 22).

Estimating variable considerations arising from change orders and claims

The Group frequently agrees to change orders that modify the scope of its work previously agreed with customers and regularly submits claims to customers when unanticipated additional costs are incurred because of delays or changes in scope caused by the customers. PFRS 15 requires the Group to recognize, as part of its revenue from construction contracts, the estimated amounts the Group expects to be entitled to and to be received from customers due to these change orders and claims (otherwise known as variable considerations), provided that it is highly probable that a significant reversal of the revenue recognized in connection with these variable considerations will not occur in the future. For these unpriced change orders and claims, the Group uses the “most likely amount” method to predict the amount to which it will be entitled and expected to be received from the customers. The Group also updates its estimate of the transaction price to reflect any changes in circumstances that would result to changes in amount of variable considerations and corresponding increase or decrease in the contract assets.

The aggregate carrying values of receivables and contract assets amounted to ₱11.26 billion and ₱11.69 billion as of December 31, 2024 and 2023, respectively (Notes 9 and 10).

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 ₱1.81 billion and ₱8.09 billion as of December 31, 2024 and 2023, 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, 2024 and 2023, the aggregate carrying values of receivables and contract assets are disclosed in Notes 9 and 10 to the consolidated financial statements.

Valuation of land 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 ₱15.02 billion and ₱15.47 billion as of December 31, 2024 and 2023, 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, 2024, 2024 and 2023 (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 35. 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 ₱147.34 million and ₱21.30 million as of December 31, 2024 and 2023, respectively whereas retirement liabilities amounted to ₱847.99 million and ₱684.97 million as of December 31, 2024 and 2023, respectively (Note 35).

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 36 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	(P4,600,000,000)	
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		<u>P1,087,235,418</u>

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

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

Loss from Deconsolidation	(P945,354,003)
Gain on bargain purchase	1,087,235,418
Net Loss on Disposal of Investment	<u>P141,881,415</u>

7. Deconsolidated Operations

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

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

	2023*	2022
<i>Deconsolidated Operations</i>		
Revenue	P5,181,488,858	P14,426,606,321
Costs of sales and services	4,423,634,707	12,477,715,872
Gross profit	757,854,151	1,948,890,449
General and administrative expenses	(450,994,039)	(1,638,885,873)
Equity in net earnings (loss) of associates and joint ventures	(366,256,080)	(105,851,646)
Interest and finance charges	(214,496,734)	(378,389,078)
Other income	26,190,109	410,838,000
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	—



	2023*	2022
Loss on subsequent sale of investment	(P252,823,886)	P-
Remeasurement loss	(20,907,379)	-
Net income (loss) from deconsolidated operations	(P426,307,138)	P166,789,425

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

The related cash flows arising from deconsolidated operation follow:

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

Income (loss) per share from deconsolidated operation:

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

8. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand and in banks	P4,876,274,899	P4,088,225,625
Cash equivalents	3,416,730,904	2,544,822,594
	8,293,005,803	6,633,048,219
Less: allowance for impairment loss	414	414
	P8,293,005,389	P6,633,047,805

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%.

Interest income from cash in banks and short-term investments amounted to P174.42 million, P114.55 million, and P75.78 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 32).



The rollforward analysis of allowance for impairment losses on cash and cash equivalents follows:

	2024	2023
Balance at beginning of period	₱414	₱—
Effect of common control business combination	—	414
Balance at end of period	₱414	₱414

9. Receivables

This account consists of:

	2024	2023
Trade		
Insurance	₱8,097,428,126	₱8,963,874,319
Education	2,064,608,313	1,666,380,234
Car dealership	574,667,178	467,109,694
Other services	359,932,067	224,105,184
Other receivables		
Accrued interest receivable	523,125,965	440,916,539
Advances to officers and employees	65,440,999	67,317,730
Dividends receivable (Note 22)	50,718,196	28,215,273
Receivables from car plant	38,019,582	49,813,875
Accrued referral incentives	23,568,101	5,027,224
Receivable from customers	5,421,537	6,493,760
Advances to suppliers and contractors	1,019,664	71,921,327
Others	66,166,648	170,334,245
	11,870,116,376	12,161,509,404
Less allowance for impairment	607,449,886	475,834,793
	₱11,262,666,490	₱11,685,674,611

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:

	2024	2023
Premiums due and uncollected	₱5,824,157,360	₱6,644,055,529
Due from ceding companies:		
Treaty	1,260,014,486	901,587,970
Facultative	143,325,147	121,923,845
Funds held by ceding companies – treaty	404,720,883	566,634,660
Reinsurance recoverable on paid losses	465,210,250	687,881,536
	8,097,428,126	8,922,083,540
Less allowance for impairment losses	(91,220,810)	(94,929,975)
	₱8,006,207,316	₱8,827,153,565



Premiums due and uncollected premiums arise from uncollected premiums on in-force 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, as stipulated in the treaty contracts. The reinsurance recoverable on paid losses is the amount recoverable from the reinsurers and retrocessionaires in respect of claims already paid by the Group.

The following table shows aging information of insurance receivables:

	December 31, 2024					Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Premiums due and 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

	December 31, 2023					Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Premiums due and uncollected	₱732,455,405	₱811,741,470	₱735,889,822	₱568,884,409	₱3,627,811,591	₱6,476,782,697
Due from ceding companies:						
Treaty	23,116,208	920,592	634,303	12,299,527	864,617,340	901,587,970
Facultative	22,833,941	13,184,782	6,667,099	9,695,365	69,542,658	121,923,845
Funds held by ceding companies – treaty	176,858,757	86,216	21,314,183	124,067,008	244,308,496	566,634,660
Reinsurance recoverable on paid losses	25,001,294	89,646,676	5,836,632	29,778,220	537,618,714	687,881,536
Total	₱980,265,605	₱915,579,736	₱770,342,039	₱744,724,529	₱5,343,898,799	₱8,754,810,708

The rollforward of allowance for impairment losses as of December 31, 2024 and 2023 follows:

	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

	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	₱106,000,597	₱4,371,936	₱3,033,612	₱544,720	₱16,437,195	₱130,388,060
Impairment loss - net of reversals (Note 22)	44,118,290	–	–	–	–	44,118,290
Write-off	(79,534,884)	–	(41,491)	–	–	(79,576,375)
Balance at end of year	₱70,584,003	₱4,371,936	₱2,992,121	₱544,720	₱16,437,195	₱94,929,975
Individually impaired	9,939,525	–	–	–	–	9,939,525
Collectively impaired	60,644,478	4,371,936	2,992,121	544,720	16,437,195	84,990,450
Total	₱70,584,003	₱4,371,936	₱2,992,121	₱544,720	₱16,437,195	₱94,929,975



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 ₱161.70 million and ₱240.60 million as at December 31, 2024 and 2023, 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 / automotive

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, 2024 and 2023.

Other Receivables

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

Receivable from customers

In 2017, certain trade receivables were reclassified as interest-bearing trade receivables after the Group and the customers agreed to extend the credit terms. These receivables bear interest of 5% per annum and will be repaid in five (5) years' time. As of December 31, 2024 and 2023, receivable from customers amounted to ₱5.42 million and ₱6.49 million, respectively.

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

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

	2024					
	Financial Services	Car Dealership	Education *	Other Services	Other Receivables	Total
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)	10,253,406	2,022,518	50,539,178	–	–	62,815,101
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
Effect of deconsolidation of a subsidiary	–	–	–	–	–	–
Balance at end of year	₱103,458,658	₱3,439,376	₱435,058,574	₱11,246,576	₱54,246,703	₱607,449,886

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

	2023					
	Construction and Infrastructure	Car Dealership	Education *	Other Services	Other Receivables	Total
Balance at beginning of year	₱85,880,485	₱36,551,181	₱346,388,414	₱9,675,359	₱82,064,279	₱560,559,718
Provisions – net of recoveries (Note 33)	–	(544,431)	43,958,166	89,258	–	43,502,993
Write-offs	–	(12,094,415)	(5,815,184)	(502,483)	–	(18,412,082)
Effect of common control business combination	–	–	–	1,984,441	–	1,984,441
Effect of deconsolidation of a subsidiary	(85,880,485)	–	–	–	(25,919,792)	(165,904,089)
Balance at end of year	₱–	₱23,912,334	₱384,531,396	₱11,246,576	₱56,144,487	₱475,834,793

*Inclusive of tuition and other education-related receivables amounting to ₱375.80 million and ₱8.77 million, respectively.



10. Contract Assets and Liabilities

As of December 31, 2024 and 2023, the Group has no contract assets.

Contract Liabilities

Details of the Group's contract liabilities as of December 31, 2024 and 2023 are shown below.

	2024	2023
<i>Current</i>		
Education	₱1,290,123,387	₱978,261,397
Leasing	174,770,251	168,928,051
Total current contract liabilities	1,464,893,638	1,147,189,447
<i>Noncurrent</i>		
Leasing	112,250,951	124,339,470
Total noncurrent contract liabilities	112,250,951	124,339,470
Total contract liabilities	₱1,577,144,589	₱1,271,528,917

Contract liabilities from education segment represent 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 funds

Segregated fund assets

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 account consists of the following:

	2024	2023
Variable-unit linked fund	₱42,142,462,815	₱37,498,338,513
GEM trust fund	–	71,646,712
	₱42,142,462,815	₱37,569,985,225



Variable-unit linked (VUL) fund

This fund consists of:

	2024	2023
Net asset value of segregated funds	₱42,688,319,471	₱37,999,404,335
Seed capital in segregated funds	(545,856,656)	(501,065,822)
	₱42,142,462,815	₱37,498,338,513

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)
- Peso 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



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

	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
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)	9,448,521	(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

(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
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

	2023												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso bonds	Structured notes	Subscriptions receivable (Note 17)	Investment receivable	Accrued income	Seed capital (Note 8)	Total Assets	Accounts payable and accrued expenses	Net Assets
Bond Fund	₱48,499,485	₱311,047,588	₱15,286,460	₱17,621,653	93,157,098	₱-	₱577,130	₱23,844	₱7,060,757	(₱2,128,050)	₱491,145,965	(₱1,576,472)	489,569,493
Balanced Fund	51,760,552	385,513,436	731,841,943	29,592,313	153,817,481	-	856,382	39,631	10,794,525	(1,642,650)	1,362,573,613	(3,643,383)	1,358,930,230
Equity Fund	45,822,042	-	1,115,693,842	-	-	-	3,823,768	1,642,040	654,899	(1,657,650)	1,165,978,941	(2,061,510)	1,163,917,431
Growth Fund	28,049,921	-	1,019,652,350	-	-	-	(13,906)	1,667,624	592,438	(1,637,100)	1,048,311,327	(1,874,977)	1,046,436,350
Opportunity Fund	90,055,706	775,315,045	1,505,733,540	124,914,836	342,098,098	-	(341,360)	173,702	25,708,558	(1,710,450)	2,861,947,675	(7,638,857)	2,854,308,818
Income Fund	60,585,944	495,068,759	-	69,387,251	152,333,623	-	45,292	96,128	12,859,228	(2,253,300)	788,122,925	(2,724,718)	785,398,207
Dynamic Fund	38,803,310	478,951,959	742,993,788	-	-	-	(645,493)	-	5,565,188	(8,648,000)	1,257,020,752	(3,280,301)	1,253,740,451
Index Fund	26,965,626	-	5,335,724,019	-	-	-	5,600,148	-	5,548,747	(7,667,000)	5,366,171,540	(9,845,047)	5,356,326,493
Captains Fund	175,483,320	-	1,485,187,623	-	-	-	708,503	5,614,520	2,660,923	(9,490,000)	1,660,164,889	(13,096,644)	1,647,068,245
Money Market Fund	1,313,366	-	24,237,996	-	-	-	(179)	-	153	(10,703,000)	14,848,336	(11,382)	14,836,954
My Future 2025 Fund	8,038,114	415,768,800	79,068,936	-	-	-	(247,253)	-	7,344,632	(1,507,350)	508,465,879	(2,364,060)	506,101,819
My Future 2030 Fund	8,188,148	96,596,816	81,645,567	-	-	-	186,725	-	1,786,212	(9,125,000)	179,278,468	(675,509)	178,602,959
My Future 2035 Fund	2,326,769	22,979,142	53,119,359	-	-	-	86,425	-	386,203	(8,708,000)	70,189,898	(205,411)	69,984,487
My Future 2040 Fund	2,668,498	17,118,958	72,075,045	-	-	-	39,821	-	352,127	(8,709,000)	83,545,449	(218,812)	83,326,637
Growth Plus Fund	288,555,246	-	6,632,583,184	-	-	-	2,365,595	-	1,663,516	(9,372,000)	6,915,795,541	(43,721,347)	6,872,074,194
MyFuture 2045 Fund	791,129	7,575,365	39,805,919	-	-	-	(57,235)	-	227,717	(47,410,000)	932,895	(122,851)	810,044
MyFuture 2050 Fund	729,431	6,603,840	40,435,435	-	-	-	4,812	-	211,244	(47,225,000)	759,762	(118,607)	641,155
MyFuture 2055 Fund	569,985	6,787,280	40,993,540	-	-	-	(3,260)	-	216,470	(47,220,000)	1,344,015	(120,597)	1,223,418
Global Opportunity Fund	87,422,603	39,879,143	1,903,107,147	-	-	-	(87,736)	47,539,463	605,464	(33,628,970)	2,044,837,114	(53,353,557)	1,991,483,557
Global Income Fund	38,324,056	74,701,998	576,488,924	-	17,919,149	-	(31,404)	5,813,850	1,158,344	(24,157,930)	690,216,987	(17,961,113)	672,255,874
Global Growth Fund	80,423,371	-	1,788,937,288	-	-	-	(981,424)	13,842,500	11,826	(33,961,190)	1,848,272,371	(3,324,850)	1,844,947,521
Global Asset Builder - PriMO	-	-	-	-	-	704,402,855	(5,987,712)	-	-	-	698,415,143	-	698,415,143
Peso Asset Builder - PriMO	-	-	-	-	-	365,129,600	-	-	-	-	365,129,600	-	365,129,600
Dollar Money Market Fund	1,158,859	-	40,068,040	-	-	-	(110)	-	-	(28,443,569)	12,783,220	(18,530)	12,764,690
Opportunity Tracker Fund	7,479,412	205,281,026	101,704,170	-	-	-	1,913,885	-	2,415,699	(1,574,700)	317,219,492	(1,023,333)	316,196,159
Peso Global Growth Fund	12,044,345	-	230,349,356	-	-	-	80,137	-	1,438	(25,337,500)	217,137,776	(424,677)	216,713,099
Peso Global Income Fund	998,541	3,213,858	30,747,688	-	-	-	29,040	-	27,363	(23,182,500)	11,833,990	(53,663)	11,780,327
Peso Global Opportunity Fund	636,657	4,343,733	107,190,284	-	-	-	19,449	943,160	34,786	(24,297,500)	88,870,569	(474,823)	88,395,746
Global Opportunity Payout Fund	103,630,706	-	2,030,277,254	-	-	-	2,063,791	-	15,134	(24,169,005)	2,111,817,880	(3,758,542)	2,108,059,338

(Forward)



	2023												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso bonds	Structured notes	Subscriptions receivable (Note 17)	Investment receivable	Accrued income	Seed capital (Note 8)	Total Assets	Accounts payable and accrued expenses	Net Assets
Peso Global Sustainability Growth Fund	₱1,464,398	₱–	₱29,828,047	₱–	₱–	₱–	₱4,892	₱–	₱–	(₱26,485,000)	₱4,812,337	(₱54,580)	₱ 4,757,757
Peso Asset Builder - Hybrid Income Fund	–	–	–	–	–	2,302,390,190	(3,340,350)	–	–	(962,900)	2,298,086,940	–	2,298,086,940
Peso Asset Builder - Hybrid Income 2 Fund	–	–	–	–	–	1,175,275,500	(2,267,800)	–	–	(970,500)	1,172,037,200	–	1,172,037,200
Peso Asset Builder - Hybrid Income 3 Fund	–	–	–	–	–	825,384,900	1,095,100	–	–	(969,900)	825,510,100	–	825,510,100
Global Asset Builder - ProIncome Fund	–	–	–	–	–	904,412,473	–	–	–	(1,078,608)	903,333,865	–	903,333,865
	₱1,229,541,027	₱3,346,746,746	₱26,148,373,959	₱241,516,054	₱759,325,449	₱6,276,995,518	₱5,893,515	₱77,396,462	₱87,906,051	(₱501,065,822)	₱37,672,628,959	(₱174,290,446)	₱37,498,338,513



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 2.375% to 9.25% and 2.375% to 8.75% in 2024 and 2023, 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 pertain 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 pertain 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 ETFs to launch and become available to investors.

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

	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



	2023			
	Level 1	Level 2	Level 3	Total
Segregated fund assets				
Equity securities	₱26,148,373,959	₱—	₱—	₱26,148,373,959
Government debt securities	—	3,346,746,746	—	3,346,746,746
Structured notes	—	—	6,276,995,518	6,276,995,518
Corporate loans	—	—	241,516,054	241,516,054
Private peso bonds	—	759,325,449	—	759,325,449
	₱26,148,373,959	₱4,106,072,195	₱6,518,511,572	₱36,772,957,726

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

1. Sun Grepa Peso Asset Builder - PriMO

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

Option Value	0.00%
Fixed Income Value	95.55%

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

2. Sun Grepa Global Asset Builder - PriMO

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

Option Value	0.00%
Fixed Income Value	94.30%

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



3. Sun Grepa Peso Asset Builder – Hybrid Income 1

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

Fixed Income Value 97.97%

	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	<i>Duration since bond is not zero coupon</i>
Bloomberg ISIN	XS2617537233	

Fixed Income Value 98.44%

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

5. Sun Grepa Peso Asset Builder – Hybrid Income 3

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

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	<i>Duration since bond is not zero coupon</i>
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	<i>Duration since bond is not zero coupon</i>
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%

Following are the stress testing schedules of the unit-linked financial assets classified as level 3 as of December 31, 2023:

1. Sun Grepa Global Asset Builder - PriMO

Bloomberg ISIN	XS1792287267	
Maturity	17-Dec-25	
Valuation Date	30-Dec-23	
Note Provider	Goldman Sachs	
Remaining Time to Maturity	1.96	<i>assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor</i>

Option Value 2.20%
Fixed Income Value 89.30%

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.50%	91.50%	91.50%
USD IRS	-1.09%	0.81%	-0.34%
ROP CDS	-1.09%	0.65%	-0.27%
GS CDS	-1.16%	0.85%	-0.34%
Fixed Income Level	88.15%	93.80%	90.55%
Option Sensitivity	-2.20%	-2.20%	-2.20%
MTM Level	85.95%	91.60%	88.35%



2. Sun Grepa Peso Asset Builder - PriMO

Bloomberg ISIN	XS1934993764	
Maturity	4-Mar-26	
Valuation Date	30-Dec-23	
Note Provider	Goldman Sachs	
Remaining Time to Maturity	2.18	<i>assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor</i>

Option Value	1.90%
Fixed Income Value	92.60%

	Scenario 1	Scenario 2	Scenario 3
Current Value	94.50%	94.50%	94.50%
PHP NDS	-0.04%	0.00%	0.00%
ROP CDS	-1.21%	0.72%	-0.29%
GS CDS	-1.28%	0.94%	-0.38%
Fixed Income Level	91.97%	96.16%	93.83%
Option Sensitivity	-1.90%	-1.90%	-1.90%
MTM Level	90.07%	94.26%	91.93%

3. Sun Grepa Peso Asset Builder – Hybrid Income 1

Bloomberg ISIN	XS2617697359	
Maturity	29-Sep-30	
Valuation Date	30-Dec-23	
Note Provider	Nomura	
Remaining Time to Maturity	5.41	<i>Duration since bond is not zero coupon</i>

Coupon	7.10%
Fixed Income Value	96.29%

	Scenario 1	Scenario 2	Scenario 3
Current Value	96.29%	96.29%	96.29%
PHP NDS	-0.09%	0.00%	0.00%
ROP CDS	-3.02%	1.79%	-0.73%
Nomura CDS	-12.93%	4.19%	0.01%
Fixed Income Level	80.25%	102.27%	95.57%
MTM Level	80.25%	102.27%	95.57%

4. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN	XS2617537233	
Maturity	27-Oct-30	
Valuation Date	30-Dec-23	
Note Provider	Nomura	
Remaining Time to Maturity	5.44	<i>Duration since bond is not zero coupon</i>

Coupon	7.15%
Fixed Income Value	97.05%

	Scenario 1	Scenario 2	Scenario 3
Current Value	97.05%	97.05%	97.05%
PHP NDS	-0.09%	0.00%	0.00%
ROP CDS	-3.03%	1.80%	-0.74%
Nomura CDS	-13.00%	4.22%	0.01%
Fixed Income Level	80.93%	103.07%	96.33%
MTM Level	80.93%	103.07%	96.33%



5. Sun Grepa Peso Asset Builder – Hybrid Income 3

Bloomberg ISIN	XS2692916302
Maturity	21-Nov-30
Valuation Date	30-Dec-23
Note Provider	Nomura
Remaining Time to Maturity	5.44 <i>Duration since bond is not zero coupon</i>

Coupon	7.20%
Fixed Income Value	96.99%

	Scenario 1	Scenario 2	Scenario 3
Current Value	96.99%	96.99%	96.99%
PHP NDS	-0.09%	0.00%	0.00%
ROP CDS	-3.03%	1.80%	-0.74%
Nomura CDS	-13.00%	4.22%	0.01%
Fixed Income Level	80.87%	103.01%	96.27%
MTM Level	80.87%	103.01%	96.27%

6. Sun Grepa Global Asset Builder – (ProIncome)

Bloomberg ISIN	XS2692848208
Maturity	22-Dec-30
Valuation Date	30-Dec-23
Note Provider	Nomura
Remaining Time to Maturity	5.43 <i>Duration since bond is not zero coupon</i>

Coupon	6.90%
Fixed Income Value	97.40%

	Scenario 1	Scenario 2	Scenario 3
Current Value	97.40%	97.40%	97.40%
PHP NDS	-0.09%	0.00%	0.00%
ROP CDS	-3.03%	1.80%	-0.73%
Nomura CDS	-12.98%	4.21%	0.01%
Fixed Income Level	81.30%	103.40%	96.68%
MTM Level	81.30%	103.40%	96.68%

Segregated fund liabilities

This is measured based on the value of the insurance investment funds attributable to the policyholders.

12. Reinsurance Assets

This account consists of:

	2024	2023
Reinsurance recoverable on unpaid losses	₱13,693,992,453	₱27,625,857,042
Deferred reinsurance premiums	4,661,968,741	(3,395,458,957)
	₱18,355,961,194	₱24,230,398,085

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:

	2024	2023
Merchandise:		
Automotive units	₱271,066,384	₱420,960,715
Parts, service materials and accessories	162,223,824	110,973,384
Others	762,396	693,543
	434,052,604	532,627,642
Less: Allowance for inventory obsolescence	35,738,515	35,966,255
	₱398,314,089	₱496,661,387

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 ₱68.56 million and ₱35.97 million as of December 31, 2024 and 2023, respectively.

The rollforward of allowance for inventory obsolescence is as follows:

	2024	2023
Balance at beginning of year	₱35,966,255	₱43,656,744
Provision (Recoveries) (Note 33)	15,855,105	651,220
Write-off	(16,082,845)	–
Impairment balance	35,738,515	44,307,964
Effect of deconsolidated operations	–	(8,341,709)
Balance at end of year	₱35,738,515	₱35,966,255

No inventories were pledged as security to obligations as of December 31, 2024 and 2023.

14. Loans Receivable

This account consists of:

	2024	2023
Long-term commercial papers	₱1,117,501,332	₱1,083,938,713
Policy loans	740,695,715	670,968,139
Due from:		
Held for trust	22,710,757	25,225,572
Agents	23,566,818	4,080,475
GEM trust fund	7,855,950	2,474,625
Others	153,118,958	85,324,043
	2,065,449,530	1,872,011,567
Less: Allowance for impairment	5,865,171	6,200,460
	₱2,059,584,359	₱1,865,811,107



Long-term commercial papers pertain to the Group's investments in unquoted private debt securities and corporate notes with annual interest rates ranging from 3.30% to 7.26% and from 2.46% to 7.82% as of December 31, 2024 and 2023, respectively, and maturities ranging from 2025 to 2031 and 2024 to 2028 as of December 31, 2024 and 2023, 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:

	2024	2023
Balance at beginning of year	₱6,200,460	₱—
Provisions (recovery)	(335,289)	
Consolidation of new subsidiaries	—	6,200,460
Balance at end of year	₱5,865,171	₱6,200,460

15. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
CWTs	₱1,308,286,889	₱1,151,877,069
Prepaid expenses	469,490,572	344,013,281
Unused supplies	27,313,715	18,480,867
Miscellaneous deposits	74,797,104	28,779,489
Input VAT	65,480,317	68,071,124
Prepaid taxes	12,324,729	117,987,103
Short-term investments	6,249,369	279,406,974
Others	209,228,163	107,687,784
	2,173,170,858	2,116,303,691
Less allowance for impairment	8,690,513	55,395,197
	₱2,164,480,345	₱2,060,908,494

CWTs pertain to unutilized creditable withholding tax which will be used as tax credit against income taxes due. CWTs were classified as current are assessed to be utilized the following year.

Prepaid expenses mainly include prepayments for membership fees, subscriptions, rentals and insurance, among others.

Miscellaneous 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 less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects.

Advances to suppliers and contractors represent down payment to subcontractors for the contract work to be performed and advance payment for the purchase of various construction materials.



Others include various deposits and other supplies, among others.

Movements in allowance for impairment for the years ended December 31 are shown below:

	2024			
	Miscellaneous 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

	2023			
	Miscellaneous 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
Provisions for ECL	—	—	—	—
Balance at end of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197

16. Financial Assets

A. Financial assets at fair value through profit or loss (FVTPL)

This account consists of:

	2024	2023
Unquoted debt securities	₱5,886,745,147	₱4,711,207,650
Mutual funds	637,948,468	511,992,997
Seed capital in variable unit-linked segregated funds	545,856,657	501,065,822
Listed equity shares	466,425,227	264,206,464
Private debt securities	272,664,770	354,497,418
Government securities	93,750,471	80,011,439
	₱7,903,390,740	₱6,422,981,790

Unquoted debt securities are with embedded derivatives features such as credit linked notes and foreign currency swap amounting to ₱5.89 billion and ₱4.71 billion in 2024 and 2023, respectively, and are designated as financial assets at FVPL. These investments are all denominated in local currency with interest rates ranging from 6.0% to 8.7% in 2024 and 6.8% to 8.7% in 2023. These credit-linked notes will expire in 2029 and 2030.

The rollforward of financial assets at FVTPL is as follows:

	2024	2023
Balance at beginning of year	₱6,422,981,790	₱14,892,802
Addition	2,117,011,274	6,407,444,737
Disposal	(628,345,588)	—
Fair value gains (losses)	(8,256,736)	644,251
Balance at end of year	₱7,903,390,740	₱6,422,981,790



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:

	2024	2023
Quoted shares	₱23,736,363,719	22,839,000,002
Unquoted shares	1,813,779,216	8,090,402
	₱25,550,142,935	₱22,847,990,404

Movement in the fair value reserve recognized in other comprehensive income (net of tax effect) are follows:

	2024	2023
Attributable to equity holders of the parent:		
Balance at beginning of year	₱1,074,710,272	₱111,000,523
Income (loss) recognized in OCI	419,093,888	(58,487,673)
Reclassification	(8,330,868)	(37,772,927)
Disposal	(206,291,761)	–
Effect of deconsolidation of a subsidiary	–	(62,407,141)
Balance at end of year	1,279,181,531	(47,667,218)
Non-controlling interests:		
Balance at beginning of year	325,886,064	324,284,048
Income recognized in OCI	4,836,380	(679,365)
Balance at end of year	330,722,444	323,604,683
	₱1,609,903,975	₱275,937,465

Dividend earned from equity investments at FVOCI amounted to ₱7.26 million, ₱0.82 million and ₱6.61 million in 2024, 2023, and 2022, respectively (Note 32).

No equity investments at FVOCI were pledged as security to obligations as of December 31, 2024 and 2023.

C. Investment securities at amortized cost

This account consists of:

	2024	2023
Government debt securities	₱4,113,571,760	₱3,001,817,643
Private debt securities	265,730,379	310,958,660
	₱4,379,302,139	₱3,312,776,303



Interest rate of investment securities at amortized cost are ranging from 1.65% to 8.00% and 1.65% to 9.25% as of December 31, 2024 and 2023, respectively.

No investment securities at amortized cost were pledged as security to obligations as of December 31, 2024 and 2023.

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	
				2024	2023
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	29.10
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	–	21.00
Joint ventures:					
PetroWind Energy, Inc. (PWEI)**	Philippines	Renewable energy	Philippine peso	20.00	20.00
Shinbayanihan Heavy Equipment Corporation (SHEC)**	Philippines	Equipment rental	Philippine peso	40.00	40.00
BEO Distribution and Marketing Corporation (BEO DMC)**	Philippines	Distribution and marketing	Philippine peso	30.00	30.00
Shimizu-Fujita-Takenaka-EEI Joint Venture (SFTE)**	Philippines	Construction	Philippine peso	5.00	5.00
Acciona-EEI Joint Venture (AE)**	Philippines	Construction	Philippine peso	30.00	30.00
LOTTE-GULERMAK-EEI Joint** Venture (LGE)	Philippines	Construction	Philippine peso	25.00	25.00

*In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%

** This investment is part of the EEI Group, which was 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:

	2024	2023
<i>Acquisition cost:</i>		
Balance at beginning of year	₱4,281,066,470	₱4,283,885,786
Additions	174,432,352	3,296,378,483
Disposal	(567,739,070)	(1,686,664,911)
Reclassification	(1,041,974,502)	—
Effect of deconsolidation of a subsidiary	—	(1,612,532,888)
Balance at end of year	2,845,785,250	4,281,066,470
Accumulated impairment loss	(364,312,330)	(364,312,330)
<i>Accumulated equity in net earnings:</i>		
Balance at beginning of year	2,092,762,160	3,622,376,692
Equity in net earnings	81,479,896	116,716,080
Dividend received	(82,958,771)	(97,429,815)
Reclassification	271,780,979	—
Effect of deconsolidation of a subsidiary	—	(1,548,900,797)
Balance at end of year	2,363,064,264	2,092,762,160
<i>Share in other comprehensive gain (loss) of an associate:</i>		
Cumulative translation adjustments	35,002,552	46,376,718
Remeasurement gain (loss) on retirement liability	(5,740,974)	(32,203,598)
Revaluation increment	—	75,107,937
Changes in fair value of investments carried at FVOCI	511,112	(78,957,186)
	29,772,690	10,323,871
	₱4,874,309,874	₱6,019,840,170

EEI

As disclosed on Note 6, the Parent Company sold 20% investment holdings in EEI resulting to loss of control over the subsidiary. The remaining investment of 35.34% was accounted for as an investment in associate. Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceed 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, 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 ₱4.95 and ₱4.80 per share as of December 31, 2024 and 2023, 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 November 8, 2019, the Parent Company purchased 2,500,000 shares of SGAPC from Sojitz Corporation amounting to ₱50.00 million or equivalent to 20.00% ownership equity.

The reconciliation of the net assets of the associates and joint ventures to the carrying amounts of the interests in significant associates and joint ventures recognized in the consolidated financial statements is as follows (in millions):

As of December 31, 2024 and 2023, 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)

	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	1,042	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	1,042	1,858	–	1,881

	2024				
	HEPI	MMP	RRC	SGAP	PERC
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	0	6,059
Proportionate ownership in the associate	50%	26%	10%	20%	31%
Share in net identifiable assets	225	1,023	1,526	0	1,878
Carrying value	P225	P1,023	P1,526	P0	P1,878



(Amounts in millions)

2023

Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC	EEI	PGEC
Balance, January 1	₱24	₱120	₱1,018	₱50	₱889	₱-	₱478
Additions	-	-	-	-	-	1,610	(478)
Deconsolidation	-	-	-	-	-	-	-
Balance, December 31	24	120	1,018	50	889	1,610	-
Accumulated equity in net earnings (losses):							
Balance, January 1	195	728	450	52	738	-	116
Equity in net earnings (losses)	36	126	94	(96)	206	(272)	23
Deconsolidation	-	-	-	-	-	-	-
Dividends declared	(38)	(19)	(32)	-	(8)	-	-
Balance, December 31	193	835	512	(44)	936	(272)	139
Subtotal	217	955	1,530	6	1,825	1,338	139
Accumulated share in other comprehensive income:							
Balance, January 1	-	-	-	-	128	-	140
Deconsolidation	-	-	-	-	-	-	-
Share in other comprehensive income (loss)	-	-	-	-	(127)	(37)	(140)
Balance, December 31	-	-	-	-	1	(37)	-
Equity in cumulative translation adjustments	-	-	-	-	33	13	-
	₱217	₱955	₱1,530	₱6	₱1,859	₱1,314	₱139

2023

	HEPI	MMP	RRC	SGAP	PERC	EEI	RICEI
Net asset before adjustments	₱426	₱3,354	₱3,036	(₱69)	₱11,790	₱15,596	₱-
Adjustments	8	320	12,263	100	(5,402)	(9,340)	-
Net assets	434	3,674	15,229	31	6,388	6,256	-
Proportionate ownership in the associate	50%	26%	10%	20%	29%	21%	-
Share in net identifiable assets	217	955	1,530	6	1,859	1,314	-
Carrying value	₱217	₱955	₱1,530	₱6	₱1,859	₱1,314	₱-



Summarized financial information of the Group's significant associates and joint venture are as follows:
(Amounts in millions)

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	321	9	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	₱—

2023					
	RRC	PERC	HEPI	MMPC	SGAPC
Current assets	₱1,071	₱5,714	₱732	₱2,543	₱2,583
Noncurrent assets	5,826	16,168	76	2,495	614
Total assets	₱6,897	₱21,882	₱808	₱5,038	₱3,197
Current liabilities	₱1,368	₱4,567	₱381	₱1,175	₱3,102
Noncurrent liabilities	2,470	4,646	—	510	165
Total liabilities	₱3,838	₱9,213	₱381	₱1,685	₱3,267
Revenues	₱2,161	₱3,030	₱678	₱1,268	₱5,458
Cost	—	(1,619)	(210)	(498)	(5,180)
Gross margin	2,161	1,411	468	770	278
Selling and administrative, and other expenses	(1,004)	(256)	(383)	(380)	(807)
Pre-tax income (loss)	₱1,157	₱1,155	₱85	₱390	(₱529)
Proportionate ownership in the associate	10%	29%	50%	26%	20%
Share in pre-tax income (loss)	116	224	46	168	(127)
Income tax (benefit)	(197)	(62)	(21)	(162)	(155)
Non-controlling interest	—	502	—	—	(385)
Equity in net earnings (losses)	₱96	₱206	₱36	₱126	(₱96)
Dividends received	₱—	₱8	₱38	₱19	₱—



Other relevant financial information of HEPI are as follows:

	2024	2023
Cash and cash equivalents	₱176,546,128	₱150,193,527
Current financial liabilities *	23,695,584	52,158,809
Noncurrent financial liabilities *	—	—
Depreciation and amortization	—	—
Interest income	3,028,714	5,996,988
Interest expense	—	—

**Excluding trade and other payables and provisions*

Other relevant financial information of RRC are as follows:

	2024	2023
Cash and cash equivalents	₱610,754,046	₱718,364,000
Current financial liabilities *	999,272,820	597,350,000
Noncurrent financial liabilities *	1,762,921,840	2,078,332,000
Depreciation and amortization	216,177,227	185,012,958
Interest income	33,415,030	41,688,959
Interest expense	140,119,940	180,593,317

**Excluding trade and other payables and provisions*

Other relevant financial information of PERC are as follows:

	2024	2023
Cash and cash equivalents	₱2,770,469,655	₱2,251,742,845
Current financial liabilities *	1,323,413,409	3,703,810,352
Noncurrent financial liabilities *	7,510,710,099	4,187,028,164
Depreciation and amortization	740,674,687	730,880,693
Interest income	191,203,364	217,515,216
Interest expense	555,725,055	347,303,382

**Excluding trade and other payables and provisions*

Other relevant financial information of MMPC are as follows:

	2024	2023
Cash and cash equivalents	₱86,137,000	₱322,196,768
Current financial liabilities *	74,506,000	45,619,964
Noncurrent financial liabilities *	627,448,000	162,716,262
Depreciation and amortization	88,262,214	58,690,751
Interest income	223,839,379	228,654,877
Interest expense	11,541,105	3,496,762

**Excluding trade and other payables and provisions*



Other relevant financial information of SGAPC are as follows:

	2024	2023
Cash and cash equivalents	₱84,597,453	₱142,651,551
Current financial liabilities *	484,775,000	2,150,000,000
Noncurrent financial liabilities *	–	164,506,656
Depreciation and amortization	109,503,317	102,952,143
Interest income	122,006	205,884
Interest expense	85,906,040	172,969,802

*Excluding trade and other payables and provisions

19. Investment Properties

The rollforward analysis of this account follows:

	2024	2023
<i>Cost:</i>		
Balance at beginning of year	₱11,010,049,133	₱8,137,011,850
Additions	145,556,063	2,737,129,912
Reclassification	1,915,467,631	71,441,198
Effect of common control business combination	–	150,403,582
Effect of deconsolidation of a subsidiary	–	(14,496,211)
Disposals	(1,166,888)	–
Balance at year end	13,069,905,939	11,081,490,331
<i>Accumulated depreciation:</i>		
Balance at beginning of year	185,660,228	27,849,023
Depreciation	245,352,203	95,735,543
Reclassification	243,509,464	–
Effect of common control business combination	–	62,276,162
Deconsolidation	–	(200,500)
Balance at year end	674,521,895	185,660,228
	₱12,395,384,044	₱10,895,830,103

Properties classified as investment properties include the following:

- Parcel of land located in Makati owned by SLRHSI with the carrying value of ₱2,673.17 million.
- Parcel of land, building and building improvements in Quezon City with the carrying value of ₱1,601.01 million.
- Heritage lots held for capital appreciation of the Parent Company amounted to ₱0.66 million.
- Parcel of land, building, building improvements and machinery and equipment situated in Taguig City owned by ATYC with carrying value of ₱6,132.04 million.
- Parcel of land located in Tarlac with carrying value of ₱2,673.17 million 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 is consist of the following:

	2024	2023
Current	₱1,340,936,496	₱669,152,694
Noncurrent	757,448,262	1,469,381,226
	₱2,098,384,758	₱2,138,533,920



As of December 31, 2023, the aggregate fair values of land amounted to ₱20.63 billion, which was determined based on valuation performed by an independent SEC accredited appraiser in 2023. 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).

Rental income derived from the investment properties amounted to ₱863.35 million, ₱767.46 million, and ₱181.78 million in 2024, 2024 and 2023, respectively. Total direct expenses incurred in relation to these investment properties amounted to ₱283.80 million, ₱271.15 million and ₱73.73 million in 2024, 2023 and 2022, respectively.

None of the investment properties were pledged as a security to obligations as of December 31, 2024 and 2023.

20. Property and Equipment

Property and equipment at revalued amount

Movements in the revalued land are as follows:

	2024	2023
Balance at beginning of year	₱15,469,825,819	₱9,875,430,377
Change in revaluation increment	1,101,121,690	2,264,799,250
Transfer to retained earnings	–	(18,948,731)
Reclassification	(1,555,795,000)	–
Effect of common control business combination	–	4,194,991,649
Effect of deconsolidation of a subsidiary	–	(846,446,726)
Balance at end of year	₱15,015,152,509	₱15,469,825,819

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, 2024 and 2023, 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, 2023.

In 2024, 2023 and 2022, the Group revalued its land based on the appraisals made by SEC accredited appraisers. As of December 31, 2024 and 2023, the cost of the parcels of land carried at revalued amounts amounted to ₱4,284 million and ₱5,551 million, 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)	
			2024	2023
Quezon and Panay Avenue, Quezon City*	Market Approach	Price per square meter	—	P220,000 to P250,000
			P132,098 to	P130,050 to
Makati and Intramuros, Manila	Market Approach	Price per square meter	P261,630	P235,715
			P15,000 to	P8,507 to
Cabuyao, Laguna	Market Approach	Price per square meter	P17,700	P16,335
			P40,950 to	P41,535 to
Davao City, Davao Del Sur	Market Approach	Price per square meter	P63,000	P49,140
			P132,300 to	P126,000 to
Pandacan, Metro Manila	Market Approach	Price per square meter	P156,400	P151,200
			P57,915 to	P56,012 to
San Jose Del Monte City, Bulacan	Market Approach	Price per square meter	P61,506	P60,493
			P25,175 to	P27,075 to
Naga City, Camarines Sur	Market Approach	Price per square meter	P47,500	P28,500
			P211,500 to	P206,900 to
Quiapo, Manila	Market Approach	Price per square meter	P261,000	P300,200
Barangay Tuding, Itogon, Benguet	Market Approach	Price per square meter	—	—
Barangay Biga I, Silang, Province of Cavite	Market Approach	Price per square meter	—	—

*This was reclassified to investment property in 2024.

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 2024 and 2023.

Significant increases (decreases) in estimated price per square meter would result in a significantly higher (lower) fair value of the land.

In 2019, IPO recorded provision for impairment in value of P21 million on a parcel of land charged to profit or loss [presented under ‘Other income (charges) – net] as there was no previous revaluation increment recognized on said land. Based on the 2021 and 2020 appraisal of the same parcel of land, there was an increase in value that resulted to the reversal of the impairment loss amounting to P15.8 million in 2021 and P5.2 million in 2020. The increase was credited to profit or loss as “Other income (charges) - net” in the 2021 and 2020 statement of comprehensive income.

Property and equipment at cost

The rollforward analysis of this account follows:

	2024	2023
<i>Cost</i>		
Balance at beginning of year	P14,768,125,104	P17,304,445,588
Additions	3,294,740,976	1,780,281,531
Disposals/Retirements	(19,135,943)	(10,807,170)
Transfers/Reclassification	1,965,027	(760,000)
Reclassification to investment property	(286,431,124)	—
Spin-off	(637,438,016)	—
Effect of common control business combination	—	2,253,199,420
Effect of deconsolidation of a subsidiary	—	(6,558,234,265)
Balance at end of year	P17,121,826,024	14,768,125,104



	2024	2023
<i>Accumulated Depreciation and Amortization</i>		
At beginning of year	₱7,694,596,350	₱10,078,634,137
Depreciation and amortization	1,160,123,694	592,534,582
Disposals/retirements	(14,921,024)	(8,789,426)
Transfers/reclassifications	(755,219,458)	(44,301,480)
Effect of common control business combination	—	1,904,055,630
Effect of deconsolidation of a subsidiary	—	(4,827,537,092)
Balance at end of year	8,084,579,562	7,694,596,350
Net book value	₱9,037,246,462	₱7,073,528,753

	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)
Effect of common control business combination	—	—	—	—	—	—
Effect of deconsolidation of a subsidiary	—	—	—	—	—	—
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)
Effect of common control business combination	—	—	—	—	—	—
Effect if deconsolidation of a subsidiary	—	—	—	—	—	—
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

	2023					
	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	₱5,462,001,151	₱5,283,860,417	₱1,270,060,624	₱3,505,305,266	₱1,783,218,129	₱17,304,445,587
Acquisitions	147,238,199	1,422,868	24,715,567	270,019,292	1,336,885,605	1,780,281,531
Disposals/Retirements	—	—	(10,197,657)	(609,513)	—	(10,807,170)
Reclassifications	17,671,000	—	—	45,000	(18,476,000)	(760,000)
Effect of common control business combination	773,198,036	—	274,318,479	1,205,500,762	182,143	2,253,199,420
Effect of deconsolidation of a subsidiary	(592,720,907)	(3,415,648,761)	(917,486,167)	(355,135,894)	(1,277,242,535)	(6,558,234,264)
Balance at end 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
Accumulated Depreciation and Amortization						
Balance at beginning of year	2,711,332,333	3,290,410,922	1,056,434,915	3,020,455,965	—	10,078,634,135
Depreciation and amortization (Note 34)	337,633,776	649,367	20,779,756	233,471,682	—	592,534,581
Disposals/retirements	—	—	(7,840,966)	(948,460)	—	(8,789,426)
Transfers	879,000	—	(179,267)	(45,001,213)	—	(44,301,480)

(Forward)



	2023					
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	Total
Effect of common control business combination	₱630,452,071	₱—	₱222,172,095	₱1,051,431,464	₱—	₱1,904,055,630
Effect if deconsolidation of a subsidiary	(330,211,008)	(3,270,661,641)	(763,189,509)	(463,474,931)	—	(4,827,537,089)
Balance at end of year	3,350,086,172	20,398,648	528,177,024	3,795,934,507	—	7,694,596,351
Net Book Value at Cost	₱2,457,301,307	₱1,849,235,876	₱113,233,822	₱829,190,406	₱1,824,567,342	₱7,073,528,753

The distribution of the depreciation and amortization expenses of the Group's property and equipment follows:

	2024	2023	2022
Cost of sales and services			
Construction contracts	₱—	₱—	₱—
Tuition and other fees	448,337,891	353,081,000	286,481,061
Manpower and other services	123,103,981	7,610,414	32,231,047
	571,441,872	360,691,414	318,712,108
General and administrative expenses (Note 33)	366,178,649	115,531,208	168,438,910
Deconsolidated operation	—	116,311,960	447,084,482
	₱937,620,521	₱592,534,582	₱934,235,500

In 2022, the Group, thru EEI entered into a sale and leaseback transaction with EEI Retirement Fund Inc. (EEI-RFI) for properties located in Bauan, Batangas for ₱1.2 billion. This transaction resulted to a gain on sale of ₱341.0 million and the recognition of right-of-use asset and lease liability amounting to ₱56.7 million and ₱206.1 million, respectively. The revaluation increment in equity relating to the asset disposed of is transferred directly to retained earnings when the asset was derecognized.

Gain on sale of property and equipment follows:

	2024	2023	2022
Continued operation	₱13,147,803	₱5,030,534	₱38,301,459
Deconsolidated operation	—	352,698	344,919,128
	₱13,147,803	₱5,383,232	₱383,220,587

The land and related improvements owned by MCMI with carrying value of ₱1,826.7 million and ₱2,385.5 million as of December 31, 2024 and 2023, respectively, were used to secure the long-term loans of MCMI.

21. Deferred Acquisition Costs - net

As of December 31, 2024 and 2023, details of deferred acquisition costs net of deferred reinsurance commissions follow:

	2024	2023
Deferred acquisition costs	₱527,720,153	₱499,447,146
Deferred reinsurance commissions	(245,799,378)	(198,267,206)
	₱281,920,775	₱301,179,940



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:

	2024	2023
Within one year	₱516,885,863	₱497,191,187
More than one year but not more than five years	821,952,462	1,228,017,114
Later than five years	10,239,175	—
	₱1,349,077,500	₱1,725,208,301

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.

- 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.
- Starting January 2007, EEI and EEI RFI entered into a lease agreement for the lease of land and improvements. The lease terms are for one year and renewable every year with 5% increase effective January 1, 2014.
- EEI entered into a sublease agreement for a lease of 2,459.22 square meters of land in Clark City, Pampanga. Lease term is until 2085.
- EEI Group leases a staff house which it occupies for its operations for a period of two years, both parties has the option to renew as per agreement.
- In May 2016, EEI Group entered into a lease agreement for a period of five (5) years commencing on July 7, 2016 and expired on July 6, 2021. The leased premises has an escalation of 10% starting the second year of lease. This was renewed for a period of five (5) years covering July 7, 2021 to July 6, 2026.



- f. In June 2020, the EEI Group entered into a lease of parcel of land for a period of fourteen (14) months commencing on July 1, 2020 and expiring on August 31, 2021. The said lease is no longer renewed.
- g. In December 2022, the EEI Group entered into a lease contract with EEI-RFI for the lease of land and improvements where its fabricated shop is located. The lease is for a term of 5 years with annual escalation of 5%.
- h. 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.
- i. Landev Corporation entered into lease agreements that are renewable upon mutual agreement of Landev Corporation and the lessors:

Lessor	Commencement date	Term	Monthly Rental
Grepa Realty Holdings Corporation	January 1, 2024	1 year	₱358,095
Frame Properties, Inc.	July 25, 2023	3 years	233,217*
Frame Properties, Inc.	May 25, 2024	3 years	660,478*
Frame Properties, Inc.	January 1, 2020	5 years	15,325
Grepa Realty Holdings Corporation	January 1, 2024	1 year	7,332*

*subject to 5% annual escalation rate

Rent expense recognized in 2024, 2024 and 2023 amounted ₱13.22 million, ₱7.5 million, and ₱5.7 million, respectively.

Future minimum lease payments of above lease agreements as at December 31 are as follows:

	2024	2023
Within one year	11,135,885	₱3,040,813
After one year but not more than five years	4,161,011	4,799,620
	₱15,296,896	₱7,840,433

- j. The Greyhounds Security and Investigation Agency Corporation entered into an agreement with Grepa Realty Holdings Corporation for the lease of office space. The lease is renewable annually upon mutual agreement by both parties. Rent expense recognized in 2024, 2023 and 2022 amounted to ₱0.81 million, ₱0.64 million and ₱0.69 million respectively.
- k. 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.
- l. 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.
- m. 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:

	2024	2023
Balance at beginning of year	₱486,018,030	₱1,194,764,548
Additions	398,330,404	51,371,587
Effect of common control business combination	–	49,612,120
Pre-termination/expiration	(58,019,278)	(56,767,010)
Derecognition/adjustments	(41,994,089)	–
Effect of deconsolidation of a subsidiary	–	(639,558,281)
Amortization of right-of-use asset	(173,494,778)	(113,404,933)
Balance at end of year	₱610,840,289	₱486,018,030

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.

In 2023, 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:

	2024	2023	2022
Cost of sales and services			
Cost of services	₱18,091,484	₱–	₱–
Tuition and other fees	53,284,557	60,220,636	51,833,674
	71,376,041	60,220,636	51,833,674
General and administrative expenses	244,777,296	53,184,298	44,270,786
Deconsolidated operation	–	–	79,138,271
	₱316,153,337	₱113,404,933	₱175,242,731

The carrying amount of lease liability and the movements for the years ended December 31 follow:

	2024	2023
Balance at beginning of year	₱607,983,302	₱1,378,830,278
Interest expense	51,192,938	40,779,802
Additions	424,437,016	58,469,693
Derecognition	(160,469,948)	–
Effect of deconsolidation of a subsidiary	–	(720,390,289)
Payments	(192,747,017)	(149,706,182)
Balance at end of year	730,396,291	607,983,302
Less: Current portion	167,708,899	97,874,024
Noncurrent portion	₱562,687,392	₱510,109,278

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:

	2024	2023	2022
Amortization of right-of-use assets under cost of sales and services	₱71,376,041	₱60,220,636	₱51,833,674
Amortization of right-of-use assets under general and administrative expenses	244,777,296	53,184,298	44,270,786
Gain on derecognition of right-of-use assets and lease liabilities	—	—	(18,376,629)
Interest expense on lease liabilities	51,192,938	40,769,409	68,565,220
Expenses relating to short-term leases	46,355,625	36,460,000	12,528,360
	₱413,701,900	₱190,634,343	₱158,821,411

Shown below is the maturity analysis of the undiscounted lease payments for years ended December 31 as follow:

	2024	2023
Within one year	₱177,129,758	₱131,507,327
After one year but not more than five years	473,747,854	455,310,982
Five years and more	165,088,839	148,957,000
Total	₱815,966,451	₱735,775,309

23. Goodwill

The carrying amount of goodwill allocated to each of the CGUs follows:

	2024	2023
IPO	₱32,644,808	₱32,644,808
MESI	137,583,345	137,583,345
Business combination of IPO and AEI	5,948,111	13,742,260
	₱176,176,264	₱183,970,413

Goodwill of EEI and IPO

In 2022, the Group performed impairment testing on goodwill arising from acquisition of EEI and IPO. In 2023, the Group's impairment testing on goodwill pertains only to IPO. For purposes of impairment testing, EEI and IPO are considered as the CGUs.

Management determined that the recoverable amount of the goodwill balances of EEI and IPO were fair values less costs of disposal wherein the fair values are the quoted prices of the shares of stocks of EEI and IPO in the Philippine Stock Exchange as of December 31, 2024 and 2023 and incorporated control premium in the said fair values (Level 3 – Significant unobservable inputs). Management assessed that the costs of disposal, which mainly consist of the stock transaction tax, brokers' commission and transaction fee with the stock exchange to be insignificant.

In 2024 and 2023, 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 of MESI

The goodwill recognized in the consolidated statement of financial position amounting ₱137.85 million as at December 31, 2024 and 2023 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 2024 and 2023, 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 2024, 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, 2024 and 2023, 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.

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 goodwill 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
	<u>₱652,584</u>

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, 2024 and 2023, 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 2024 and 2023). 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 ₱32.8 million and ₱32.2 million impairment loss on intellectual property rights of APEC in 2024 and 2023, respectively (nil in 2021). The carrying value of intellectual property rights as of December 31, 2024 and 2023 amounted to ₱447.7 million and ₱458.1 million, respectively (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):

	2024	2023
Cost from business combination	₱116,009	₱116,009
Accumulated amortization:		
Beginning balance	(109,977)	(105,250)
Amortization and impairment	(3,061)	(4,727)
Ending balance	(113,038)	(109,977)
Balance at end of the year	₱2,971	₱6,032

Amortization amounted to ₱3.1 million in 2023, ₱4.7 million in 2023 and ₱33.0 million 2022. 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 2024, management assessed that there is an impairment loss amounting to ₱7.8 million, nil in 2023 and 2022 on the goodwill from the merger.



24. Other Noncurrent Assets

This account consists of:

	2024	2023
Intellectual property rights (Note 23)	₱447,676,000	₱458,110,748
Deferred input VAT	407,837,852	207,771,335
CWT - net of current portion	283,295,422	119,313,582
Miscellaneous deposit	62,790,636	88,608,854
Accrued rent income	58,867,410	43,986,195
Computer software	41,129,138	26,289,885
Student relationship	2,971,048	6,032,200
Others	13,841,501	51,988,313
	₱1,318,409,007	₱1,002,101,112

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).

Miscellaneous deposits include rental and security deposits.

Rollforward of computer software follows:

	2024	2023
Cost		
Balance at beginning of year	₱157,085,574	₱181,358,988
Additions	50,875,144	13,519,989
Effect of deconsolidation of a subsidiary	–	(37,793,403)
Balance at end of year	207,960,718	157,085,574
Accumulated Amortization		
Balance at beginning of year	130,795,689	149,902,962
Amortization	34,723,168	13,992,941
Reclassifications and adjustments	1,312,723	–
Effect of deconsolidation of a subsidiary	–	(33,100,214)
Balance at end of year	166,831,580	130,795,689
Net Book Value	₱41,129,138	₱26,289,885

25. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
Accounts payable	₱3,246,048,801	₱2,270,094,120
Accrued expenses	1,400,304,688	1,058,458,191
Installment payable - current portion (Note 19)	1,340,936,496	669,152,694
Commission payable	1,139,931,040	1,141,072,692
Output tax payable	1,010,226,046	1,191,321,223
Withholding taxes and others	773,641,911	781,976,568

(Forward)



	2024	2023
Customer's deposit	₱579,209,692	₱191,136,923
Provisions	187,627,712	169,749,510
Dividends payable	82,744,697	2,749,371
Reserve for guards	52,397,241	58,260,486
SSS and other contributions	16,691,813	13,580,558
Payable to land transportation office	8,335,196	2,999,917
Chattel mortgage payable	1,482,047	21,806,979
Miscellaneous payables	43,540,444	77,492,844
	₱9,883,117,824	₱7,649,852,076

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:

	2024	2023
Utilities expenses	₱467,690,179	₱187,125,732
Interest	263,673,518	74,516,146
Payable to suppliers	164,900,933	125,963,000
Salaries and wages	163,242,966	418,169,860
Security services	97,821,867	17,477,734
Professional fees	48,285,709	8,837,560
Accrued insurance	19,262,261	46,343,086
Others	175,427,255	180,025,073
	₱1,400,304,688	₱1,058,458,191

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 5.50% to 7.65%.

Movements in loans payable during the years ended December 31 follow:

	2024	2023
Balance at beginning of year	₱3,971,142,021	₱8,217,000,000
Availments	4,163,500,000	3,175,000,000
Payments	(2,499,642,021)	(4,020,857,979)
Effect of deconsolidation of a subsidiary	—	(3,400,000,000)
Balance at end of year	₱5,635,000,000	₱3,971,142,021



Interest expense incurred on these loans follows:

	2024	2023	2022
Continued operation	₱240,240,741	₱218,596,013	₱100,419,626
Deconsolidated operation	–	101,267,748	85,919,895
	₱240,240,741	₱319,863,761	₱186,339,521

27. Long-term Debt

Movements in the account follow:

	2024	2023
Balance at beginning of year	₱2,741,811,250	₱9,031,523,279
Payments	(32,573,600)	(1,532,573,600)
Effect of deconsolidation of a subsidiary	–	(4,766,185,810)
Transaction costs	6,065,000	9,047,381
Balance at end of year	2,715,302,650	2,741,811,250
Less current portion	(32,573,600)	(32,573,600)
	₱2,682,729,050	₱2,709,237,650

The Group through IPO has secured loans amounting to ₱1,497.02 million as of December 31, 2022 (nil in 2023).

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, 2024 and 2023, 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.

Interest expense incurred on these loans follows:

	2024	2023	2022
Continued operation	₱307,117,187	₱266,394,401	₱125,569,272
Deconsolidated operation	–	132,276,354	272,965,660
	₱307,117,187	₱398,670,755	₱398,534,932



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, 2024 and 2023, the Group was in compliance with all other loan covenants.

28. Insurance Contract Liabilities

This account consists of:

	2024	2023
Claims reported and IBNR	₱18,118,516,031	₱23,658,454,852
Legal policy reserves - net	15,695,879,841	13,405,176,560
Provision for unearned premiums	7,611,805,206	7,070,743,214
Insurance payables	3,837,181,139	5,079,139,199
Policy and contract claims payable	₱1,544,805,052	₱1,476,003,441
Premium deposit fund	498,187,528	445,561,530
Policyholders' dividends	397,478,058	313,648,286
Total insurance contract liabilities	47,703,852,855	51,448,727,082
Current contract liabilities	31,956,515,864	37,422,659,896
Noncurrent contract liabilities	₱15,747,336,991	₱14,026,067,186

Claims reported and IBNR

This account consists of:

	2024	2023
Provision for claims reported and loss adjustment	₱9,813,511,806	₱15,460,759,076
Provision for IBNR	8,305,004,225	8,197,695,776
Total claims reported and IBNR	₱18,118,516,031	23,658,454,852

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.

Legal policy reserves - net

This account consists of:

	2024			2023		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
Ordinary life	15,538,907,544	6,413,738	15,532,493,806	₱13,278,815,031	₱5,347,455	₱13,273,467,576
Group life	480,980,070	1,570,453	479,409,617	461,367,788	1,819,879	459,547,909
Accident and health	108,634,575	-	108,634,575	88,403,212	-	88,403,212
Variable life	(417,979,692)	6,678,465	(424,658,157)	(410,317,674)	5,924,463	(416,242,137)
	₱15,710,542,497	₱14,662,656	₱15,695,879,841	₱13,418,268,357	₱13,091,797	₱13,405,176,560

The insurance contract liabilities include unearned premium reserves (UPR) on group life which amounted to ₱181.00 million and ₱157.58 million in 2024 and 2023, respectively.



The movements during the year in legal policy reserves are as follows:

	2024	2023
At January 1	₱13,405,176,560	₱11,749,994,685
Due to change in discount rates	26,769,259	364,062,808
Due to change in policies and assumptions	2,263,934,022	1,291,119,067
At December 31	₱15,695,879,841	₱13,405,176,560

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:

	2024	2023
At January 1	(₱99,275,439)	₱264,787,369
Net decrease due to change in discount rate	(26,769,259)	(364,062,808)
At December 31	(₱126,044,698)	(₱99,275,439)

Policy and contract claims payable

This account consists of:

	2024	2023
Claims payable	₱908,369,043	₱934,880,095
Maturities and surrenders payable	636,436,009	541,123,346
	₱1,544,805,052	₱1,476,003,441

The rollforward analyses of policy and contract claims payable follow:

	2024	2023
At January 1	₱1,476,003,441	₱1,464,991,246
Arising during the year	7,564,959,802	6,079,268,451
Paid during the year	(7,496,158,191)	(6,068,256,256)
At December 31	₱1,544,805,052	₱1,476,003,441

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.



Policyholders' dividends

The movements in this account follow:

	2024	2023
At January 1	₱313,648,287	₱266,716,339
Accrual	51,280,017	35,816,830
Interest	9,795,662	8,741,222
Reversal	22,754,092	2,373,895
At December 31	₱397,478,058	₱313,648,286

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 ₱9.80 million and ₱8.74 million in 2024 and 2023, respectively.

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 2024 and 2023. Interest expense of the Group related to premium deposit fund amounted to ₱14.18 million and ₱14.17 million in 2024 and 2023, respectively.

Insurance payables

	2024	2023
Life insurance deposits	₱353,841,909	₱249,805,427
Funds held for reinsurers	978,195,516	1,458,324,090
Subscriptions to variable unit-linked funds	69,370,667	8,011,328
Due to reinsurers	2,435,773,047	3,362,998,354
	₱3,837,181,139	₱5,079,139,199

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 Group.

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):

		2023		Outstanding Balance Receivable (Payable)	Terms	Conditions
Category		Amount/ Volume				
Parent Company - PMMIC						
a.	Miscellaneous expenses incurred	2024 2023	2,060 1,577	(2,798) (49)	Non-interest bearing	Unsecured, unimpaired
	Dividends paid	2024 2023	34,623 14,738	– –	Non-interest bearing	Unsecured, unimpaired
	Clinic procedures	2024 2023	191 155	14 –	Non-interest bearing	Unsecured, unimpaired
Associates						
b.	Management and audit fee income	2024 2023	3,755 4,323	2,100 5,629	Non-interest bearing	Unsecured, unimpaired
c.	Dividends earned / receivable	2024 2023	88,326 97,460	12,500 27,515	Non-interest bearing	Unsecured, unimpaired
Entities under common control						
d.	Rental income	2024 2023	10,458 –	10,018 21,827	Non-interest bearing	Unsecured
e.	Rendering of janitorial services	2024 2023	– –	– –	Non-interest bearing	Unsecured
f.	Sale of vehicle units	2024 2023	184,829 337,509	– 38,702	Non-interest bearing	Unsecured
g.	Management and audit fee income	2024 2023	90 2,173	2,434 6,504	Non-interest bearing	Unsecured
h.	Clinic procedures	2024 2023	4,128 8,504	802 1,053	Non-interest bearing	Unsecured
i.	Dividends earned / receivables	2023 2022	7,164 30,484	– –	Non-interest bearing	Unsecured
j.	Construction-related payments	2024 2023	– –	– (45,207)	Non-interest bearing	Unsecured
k.	Insurance expense	2024 2023	17,932 21,839	– –	Non-interest bearing	Unsecured
l.	Rental of office space	2024 2023	14,498 –	411 (970,620)	Non-interest bearing	Unsecured
m.	Cash and cash equivalents	2024 2023	– 26,714	5,808,411 1,607,063	Non-interest bearing	Unsecured
n.	Interest income	2024 2023	99,615 29,386	– –	Non-interest bearing	Unsecured
o.	Financial assets at FVPL	2024 2023	– –	8,022 9,767	Non-interest bearing	Unsecured

(Forward)



		2023			
Category		Amount/ Volume	Outstanding Balance Receivable (Payable)	Terms	Conditions
p. Short-term investments	2024	–	77,143	Non-interest bearing	Unsecured
	2023	–	353,931		
q. Loan payables and installment payable	2024	–	3,055,385	Interest bearing	Unsecured
	2022	(119,000)	2,189,534		
r. Interest expense	2024	144,517	137,258	Non-interest bearing	Unsecured
	2022	27,584	–		
s. Retirement fund	2024	30,680	3,544	Non-interest bearing	Unsecured
	2023	25,318	10,899		
Other affiliates					
t. Management fee	2024	506,133	(148,079)	Non-interest bearing	Unsecured
	2023	391,352	(44,123)		
u. Management and audit fee income	2024	–	–	Non-interest bearing	Unsecured
	2023	483	–		
Receivable from related parties	2024		4,534		
	2023		17,279		
Due to related parties	2024		(148,012)		
	2023		(89,379)		

The Group maintains its retirement fund with RCBC trust division. As at December 31, 2024 and 2023, the fair values of the plan assets of the retirement fund amounted to ₱974.1 million and ₱1,629.7 million, respectively (Note 32). Trust fees amounting to ₱0.9 million, ₱0.5 million and ₱6.5 million were recognized by the retirement plan arising from its transactions with RCBC for the years ended December 31, 2024, 2023 and 2022, respectively.

Remuneration of key management personnel

The remuneration of directors and other members of key management of the Group are as follows:

	2024	2023	2022
Compensation and short-term benefits	₱632,989,605	₱517,037,183	₱517,037,183
Post-employment benefits	262,519,769	24,827,707	24,827,707
	₱895,509,374	₱541,864,890	₱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, 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:

	2024	2023	2022
Revenue from sale of services	₱26,160,028,921	₱2,041,058,483	₱1,312,727,027
Revenue from sale of goods	4,615,226,208	4,561,727,510	4,221,006,804
Revenue from school and related operations	5,321,725,877	4,491,425,637	3,944,946,283
	₱36,096,981,006	₱11,094,211,630	₱9,478,680,114

Disaggregated Revenue Information

Disaggregation of Revenue from sale of services:

	2024	2023	2022
Financial services	₱23,944,044,959	₱—	₱—
Leasing services	870,385,571	781,195,919	181,781,496
Automotive services	832,911,678	767,776,317	₱599,157,343
Admin and management services	299,432,104	282,915,155	339,387,420
Death care services	158,660,894	152,524,092	139,570,728
Security services	54,593,715	56,647,000	52,830,040
	₱26,160,028,921	₱2,041,058,483	₱1,312,727,027

Revenue from financial services in 2024 consist of:

Insurance premiums – life, net	₱14,492,934,364
Insurance premiums – non-life, net	5,170,031,347
Trust income	443,137,782
Investments and other income, net	1,724,119,990
Fee income	1,533,815,329
Commission income	546,638,652
Trust fees	33,367,495
	₱23,944,044,959

Insurance premiums – life, net in 2024 consist of:

Gross earned premiums on insurance contracts:	
Variable life	₱8,264,584,134
Ordinary life insurance	3,838,104,627
Group life insurance	2,422,156,531
Reinsurance assumed	278,906
Reinsurers' share of gross premiums on insurance contracts:	
Ordinary life insurance	(27,365,305)
Group life insurance	(4,824,529)
	₱14,492,934,364



Insurance premiums – non-life, net in 2024 consist of:

	2024
Gross premiums on insurance contracts	₱15,071,091,514
Gross change in provision for unearned premiums	(677,560,503)
Gross premiums earned	14,393,531,011
Reinsurers' share of gross premiums on insurance contracts	9,703,129,022
Reinsurers' share of gross change in provision for unearned premiums	(479,629,358)
Reinsurers' share of gross premiums earned on insurance contracts	9,223,499,664
Net premiums earned	₱5,170,031,347

Investment and other income, net in 2024 consist of:

Interest income	₱1,839,749,205
Fair value losses on financial assets at FVPL	(94,462,503)
Loss on sale of financial assets at FVOCI	(21,166,712)
	₱1,724,119,990

Fee income in 2024 consist of

Management fees	₱636,625,413
Periodic charges	439,058,524
Cost of insurance	428,058,794
Policy administration fees	30,072,598
	₱1,533,815,329

Disaggregation of Revenue from sale of goods:

	2024	2023	2022
Merchandise sales			
Vehicle units	₱4,283,332,403	₱4,534,024,207	₱3,962,455,165
Parts and Accessories	311,099,624	7,648,805	247,395,206
Food and Beverage	20,794,181	20,054,498	11,156,433
	₱4,615,226,208	₱4,561,727,510	₱4,221,006,804

Disaggregation of Revenue from school and related operations:

	2024	2023	2022
Tuition and other matriculation fees	₱5,107,129,714	₱4,220,006,288	₱3,646,100,244
Other student-related income	214,596,163	271,419,349	298,846,039
	₱5,321,725,877	₱4,491,425,637	₱3,944,946,283



31. Cost of Sales and Services

This account consists of:

	2024	2023	2022
Cost of services	₱20,129,290,260	₱814,281,045	₱597,370,024
Cost of merchandise sold	4,493,450,106	4,399,400,290	4,016,697,418
Cost of school and related operations	3,326,705,576	2,853,889,258	2,259,171,742
	₱27,949,445,942	₱8,067,570,593	₱6,873,239,184

Disaggregation of Costs from sale of merchandise:

	2024	2023	2022
Inventory, beginning	₱532,627,643	₱418,870,257	₱420,729,352
Purchases	4,359,136,552	4,513,157,676	4,007,509,412
Total goods available for sale	4,891,764,195	4,932,027,933	4,428,238,764
Less: Inventory, ending	398,314,089	532,627,643	418,870,257
Cost of inventory sold	4,493,450,106	4,399,400,290	4,009,368,507
Others	—	—	7,328,911
	₱4,493,450,106	₱4,399,400,290	₱4,016,697,418

Disaggregation of Costs from sale of services:

	2024	2023	2022
Financial services	₱19,299,780,725	₱—	₱—
Materials, parts and accessories	332,506,318	247,648,823	313,816,738
Depreciation and amortization	123,103,981	106,488,876	32,231,047
Personnel expenses	114,420,897	170,061,084	96,558,811
Others	259,478,339	290,082,262	154,763,428
	₱20,129,290,260	₱814,281,045	₱597,370,024

Costs of financial services in 2024 consists of:

Insurance contract benefits and claims paid – life:	
Insurance benefits and claims incurred, net	₱7,558,239,355
Change in variable unit-linked segregated fund liabilities, net	4,621,842,223
Change in legal policy reserves, net	2,263,934,022
Insurance contract benefits and claims paid – non-life:	
Gross insurance contract benefits and claims paid	6,570,067,363
Reinsurers' share of gross insurance contract benefits and claims paid	(4,320,886,077)
Gross change in insurance contract liabilities	(5,531,269,732)
Reinsurers' shares of gross change in insurance contract liabilities	6,316,020,155
Commission expense	1,310,855,861
Other underwriting expense	510,977,555
	₱19,299,780,725



Insurance benefits and claims incurred, net consists of:

	2024
Claims	₱847,449,102
Maturities and surrenders	674,905,475
Experience refunds	64,922,586
Policyholders' dividends (Note 28)	51,280,018
General fund	1,638,557,181
Segregated funds (Note 11)	5,926,402,621
Insurance contract benefits and claims incurred	7,564,959,802
Reinsurers' share	(6,720,447)
	<u>₱7,558,239,355</u>

Change in variable unit-linked segregated fund liabilities in 2024 consists of:

Subscriptions allocated to unit-linked funds	₱8,264,584,134
Investment income - net	2,283,660,710
Withdrawals and redemptions	(5,926,402,621)
Net change in variable unit-linked	<u>₱4,621,842,223</u>

Net change in legal policy reserves in 2024 is as follows:

	Gross change in legal policy reserves	Reinsurers' share of change in legal policy reserves	Net
Ordinary life insurance	₱2,260,092,513	₱1,066,283	₱2,259,026,230
Group life insurance	19,612,282	(249,426)	19,861,707
Accident and health	20,231,363	—	20,231,364
Variable unit-linked policies	(7,662,018)	754,002	(8,416,020)
Sub-total	2,292,274,140	1,570,859	2,290,703,281
Net decrease due to change in discount rate (Note 13)	(26,769,259)	—	(26,769,259)
	<u>₱2,265,504,881</u>	<u>₱1,570,859</u>	<u>₱2,263,934,022</u>

Gross insurance contract benefits and claims paid consist of:

Gross insurance contract benefits and claims paid:	
Direct insurance	₱6,071,150,214
Assumed reinsurance	498,917,149
Total gross insurance contract benefits and claims paid	<u>₱6,570,067,363</u>

Reinsurers' share of gross insurance contract benefits and claims paid consist of:

Reinsurers' share of insurance contract benefits and claims paid:	
Direct insurance	(₱4,180,397,271)
Assumed reinsurance	(140,488,806)
Total reinsurers' share of gross insurance contract benefits and claims paid	<u>(₱4,320,886,077)</u>



Gross change in insurance contract liabilities consist of:

Change in provision for claims reported:	
Direct insurance	(P4,190,548,046)
Assumed reinsurance	(1,446,160,363)
Change in provision for IBNR	105,438,677
Total gross change in insurance contract liabilities	(P5,531,269,732)

Reinsurers' shares of gross change in insurance contract liabilities consist of:

Reinsurers' share of gross insurance contract liabilities:	
Direct insurance	P5,015,689,398
Assumed reinsurance	1,177,587,237
Change in provision for IBNR	122,743,520
Total reinsurers' share of gross change in insurance contract liabilities	P6,316,020,155

Disaggregation of Costs from school and related operations:

	2024	2023	2022
Personnel expenses	P1,472,902,865	P1,253,793,903	P1,086,584,504
Depreciation and amortization	448,337,891	446,541,606	338,314,735
Student-related expenses	263,381,998	200,928,997	158,724,908
IT expense - software license	220,700,970	140,149,480	98,622,799
Management and other professional fees	201,804,797	171,737,847	142,905,192
Periodicals	172,421,151	165,340,990	139,507,039
Utilities	152,205,999	131,230,639	82,589,418
Advertising	117,986,124	102,865,714	45,019,490
Tools and library books	56,090,092	40,494,558	27,907,252
Repairs and maintenance	54,206,890	42,443,863	34,443,423
Research and development fund	45,988,307	38,288,718	20,403,120
Seminar	18,394,549	12,768,487	11,179,819
Insurance	16,276,647	18,802,694	13,886,139
Accreditation cost	15,105,906	40,130,081	31,267,549
Office supplies	14,824,497	7,180,366	3,756,042
Rent	10,876,687	5,843,131	2,687,795
Transportation and travel	8,723,877	4,640,168	4,134,122
Taxes and licenses	4,656,430	9,241,956	7,296,766
Entertainment, amusement and recreation	1,141,018	1,576,256	1,775,372
Miscellaneous	30,678,881	19,889,804	8,166,258
Total	P3,326,705,576	P2,853,889,258	P2,259,171,742



32. Other Income - Net

This account consists of:

	2024	2023	2022
Dividend income	₱219,400,883	₱816,700	₱6,609,469
Interest income	183,645,419	115,450,699	76,202,805
Gain (loss) - FVTPL Investments	176,391,856	—	—
Foreign exchange gain (loss)	131,095,843	(3,458,049)	18,554,291
Gain on sale of assets	44,708,418	5,030,534	40,353,759
Space and car rental	36,085,311	7,031,779	12,198,673
Rental income	27,254,004	23,713,862	7,124,612
Clinic charges	26,362,494	—	—
Remeasurement loss	(245,052,123)	—	—
Miscellaneous	88,930,195	94,896,659	150,956,047
	₱688,822,300	₱243,482,184	₱311,999,656

On January 5, 2024, the Company reclassified the remaining 16.5% investment in EEI to FVOCI and recognized remeasurement loss of ₱245.05 million.

Gain on sale of assets arose from the sale of the following assets:

	2024	2023	2022
Gain on sale of assets - FVTPL, FVOCI, Amortized cost	₱16,206,204	₱—	₱—
Investment properties (Note 19)	15,354,411	—	2,052,300
Property and equipment (Note 20)	13,147,803	5,030,534	38,301,459
	₱44,708,418	₱5,030,534	₱40,353,759

In 2022, certain payables that were long-outstanding amounting to ₱119.81 million were written-off and recognized as other income. Based on management's assessment, the settlement of these payables is remote.

Interest income consists of income from:

	2024	2023	2022
Cash and cash equivalents (Note 8)	₱174,421,808	₱114,552,290	₱75,782,063
Others	9,223,612	898,409	420,742
	₱183,645,419	₱115,450,699	₱76,202,805

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:

	2024	2023	2022
Personnel expenses	₱1,952,953,412	₱512,934,978	₱506,417,529
Security, janitorial and utilities	508,938,087	42,985,999	33,706,260
Office expense	371,382,940	55,556,837	34,483,570
Taxes, licenses and fees	389,542,479	176,009,405	179,843,119
Depreciation and amortization	366,178,649	127,936,522	212,720,172
Advertising and promotions	253,320,708	184,542,375	110,184,082
Professional fees	182,778,891	34,982,295	11,848,527
Rent, light and water	177,154,808	63,673,217	60,536,342
Repairs and maintenance	130,288,013	32,611,393	26,882,357
Seminars	91,275,016	8,157,283	3,122,536
Transportation and travel	96,568,867	28,971,217	18,547,951
Provision for probable losses	66,367,247	43,502,994	138,847,708
Direct selling expenses	78,778,262	17,459,269	28,949,524
Commission	44,270,100	48,420,017	41,410,612
Insurance expense	32,201,427	25,222,843	14,616,881
Management and other fees	35,344,855	152,147,455	77,825,641
Entertainment, amusement and recreation	33,813,599	23,728,462	21,891,655
Provision for (recovery of) impairment of assets	18,228,897	—	—
Donations and charitable contribution	11,423,002	5,680,236	—
Provision for inventory obsolescence	3,448,071	651,221	—
Provision for impairment of intellectual property rights	—	32,771,071	—
Recovery of provision for impairment of inventories	—	(24,097,236)	—
Miscellaneous	157,276,668	86,977,976	48,959,977
	₱5,001,533,998	₱1,680,825,829	₱1,570,794,443

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:

	2024	2023	2022
Cost of sales and services (Note 31)			
Manpower and other services	₱123,103,981	₱106,488,876	₱32,231,047
School and related operations	448,337,891	401,620,078	338,314,735
	571,441,872	508,108,954	370,545,782
General and administrative expenses (Note 33)	366,178,649	172,858,051	212,720,172
	₱937,620,521	₱680,967,005	₱583,265,954



Depreciation and amortization from continued operation for the different assets follow:

	2024	2023	2022
Property and equipment (Note 20)	₱1,160,094,155	₱476,222,622	₱487,151,018
Right-of-use asset (Note 22)	173,494,778	90,289,014	25,894,692
Investment property (Note 19)	103,067,217	95,735,543	23,933,886
Computer software (Note 24)	34,723,168	13,992,941	13,284,216
Student relationship	2,295,864	4,726,885	33,002,142
	₱1,473,675,182	₱680,967,005	₱583,265,954

35. Interest and Finance Charges

The Group's interest and finance charges consist of interest on the following:

	2024	2023	2022
Long-term debt (Note 27)	₱307,117,187	₱266,394,401	₱125,569,272
Loans payable (short-term) (Note 26)	240,240,742	218,596,013	100,419,626
Lease liabilities (Note 22)	77,895,808	40,779,802	37,330,637
Advances to affiliates and other finance charges	5,278,615	8,900	8,256,885
	₱630,532,352	₱525,779,116	₱271,576,420

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, 2024.

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.

	2024	2023
Retirement liabilities	₱847,990,521	₱684,971,030
Retirement assets	147,337,007	21,302,255
Net retirement liabilities	₱700,653,513	₱663,668,775

The net retirement expenses recognized by the Group (included in personnel expense in the consolidated statements of comprehensive income) are as follows:

	2024	2023	2022
Current service cost	₱118,069,674	₱47,642,825	₱165,107,134
Net interest cost	36,533,084	63,929,987	5,838,362
	₱154,602,758	₱111,572,812	₱170,945,496



The amounts recognized in the consolidated statements of financial position follow:

<i>Net retirement liabilities</i>	2024	2023
Present value of defined benefit obligation	₱1,822,051,276	₱1,534,984,486
Fair value of plan assets	(974,060,755)	(850,013,456)
	₱847,990,521	₱684,971,030
<hr/>		
<i>Net retirement assets</i>	2024	2023
Present value of defined benefit obligation	₱ 53,343,840	₱40,096,456
Fair value of plan assets	(203,994,911)	(72,036,770)
Effect of asset ceiling	3,314,064	10,638,059
	(₱147,337,007)	(₱21,302,255)

The movements in the net retirement liability follow:

	2024	2023
Balance at beginning of year	₱684,971,029	₱106,757,503
Net retirement expense	141,295,515	111,572,812
Adjustment to defined benefit obligation	(11,135,137)	–
Derecognition/ transfer	146,445,004	483,939,688
Benefit paid	–	(16,631,000)
Contributions	(215,711,020)	(44,657,829)
Remeasurement gain	102,125,130	43,989,855
Balance at end of year	₱847,990,521	₱684,971,029

The movements in the present value of defined obligation follow:

	2024	2023
Balance at beginning of year	₱1,588,764,821	₱1,736,418,737
Current service cost	133,365,966	53,422,357
Interest cost on obligation	99,577,235	42,691,913
Derecognition/transfer	36,761,051	(222,699,789)
Benefits paid	(119,544,917)	(48,945,841)
Remeasurement gain	83,127,120	27,856,821
Balance at end of year	₱1,822,051,276	₱1,588,764,821

The movements in the fair value of plan assets follow:

	2024	2023
Balance at beginning of year	₱922,782,967	₱1,629,661,234
Contributions	205,693,519	17,235,709
Derecognition/transfer	(79,583,964)	(709,404,593)
Asset return in net interest cost	53,262,784	32,596,678
Adjustments to plan assets	3,275,480	(5,019,000)
Remeasurement loss	(20,757,680)	96,030
Benefits paid	(110,612,351)	(42,383,091)
Balance at end of year	₱974,060,755	₱922,782,967



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

	2024	2023
Cash	₱299,664,929	₱240,012,089
Investment in government securities	347,875,304	223,084,094
Investments in shares of stock	206,561,457	299,846,502
Investments in other securities and debt instruments	284,096,739	154,860,560
Interest receivables and other receivables	8,946,589	13,128,423
Accrued trust fees and other payables	(30,338,352)	(8,148,701)
	₱1,116,806,666	₱922,782,967

The Group expects to contribute ₱187.21 million to its defined benefit retirement plans in 2025.

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 2024, 2024 and 2023 amounted ₱0.88 million, ₱0.69 million and ₱4.84 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 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.

In 2023, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱159.96 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:

	2024	2023
Discount rate		
Beginning	6.03%-7.02%	4.00%-7.60%
End	5.01%-6.13%	4.20%-6.25%
Future salary increases		
Beginning	3.07%-6.00%	3.98%-7.11%
End	3.48%-6.00%	4.04%-6.06%

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.

	2024		2023	
	Increase (decrease)	Effect on defined benefit obligation	Increase (decrease)	Effect on defined benefit obligation
Discount rates	+50bps to +100bps	(P202,278,987)	+50bps to +100bps	(P329,165,418)
	-50bps to -100bps	230,923,629	-50bps to -100bps	374,264,185
Salary increase rates	+50bps to +100bps	427,232,625	+50bps to +100bps	405,426,069
	-50bps to -100bps	(353,625,667)	-50bps to -100bps	(252,915,092)

Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023
Less than one year	P142,132,346	P122,759,976
More than one to five years	452,817,902	289,557,604
More than five years	2,661,958,369	6,920,384,611

The average duration of the defined benefit obligation ranges from 8-20 years and 17-20 years as of December 31, 2024 and 2023, respectively.

37. Income Taxes

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

	2024	2023	2022
Statutory income tax rate	25%	25.00%	25.00%
Add (deduct) reconciling items:			
Movement of deferred income tax assets not recognized	3.52	0.21	1.31
Equity in net earnings of associates and joint venture	(10.31)	(9.89)	(33.06)
Income subject to final taxes and lower rates	(6.43)	(9.78)	(4.75)
Others	4.14	6.18	8.49
Effective income tax rate	15.92%	(11.72%)	(3.01%)



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 1% as provided by CREATE that special tax rate is to be applied to proprietary educational institutions and hospitals.

The Group's net deferred tax assets and liabilities consist of the following:

	2024	2023
Net deferred tax assets on a per subsidiary level:		
Admin and management services	₱299,432,104	₱282,915,155
Retirement	186,493,767	179,964,825
Deferred income	62,905,521	24,900,524
MCIT	60,642,003	6,348,069
Allowance for ECL, inventory, obsolescence and other expenses	58,017,067	352,952,645
Leases	24,943,171	20,094,368
NOLCO	8,583,069	17,566,444
Others	625,938,233	235,399,740
	₱1,027,522,831	₱837,226,633
Net deferred tax liabilities on a per subsidiary level:		
Revaluation increment on land	₱2,147,433,178	₱2,166,514,848
Right-of-use asset	(7,151,184)	5,550,644
Accrued expenses		(15,739,000)
Retirement	(39,984,959)	(15,469,000)
Others	1,671,374	(145,102,551)
	₱2,101,968,409	₱1,995,754,941

The reconciliation of the Group's net deferred tax liabilities (assets) follow:

	2024	2023
Balance at beginning of year	₱1,158,528,327	(₱367,203,536)
Tax expense (income) recognized in:		
Other comprehensive income (loss)	16,089,864	1,145,218,992
Other adjustments	(220,758,043)	490,184,001
Profit and loss	120,585,430	(109,671,130)
	₱1,074,445,578	₱1,158,528,327

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.

	2024	2023
NOLCO	₱31,083,391	₱34,684,739
Allowance for inventory obsolescence	24,097,263	24,097,263
Estimated credit losses on receivables	56,474,992	94,715,978
MCIT	1,356,311	1,356,311
Accrued retirement expense	2,670,302	2,149,165

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, 2022, the amount of NOLCO incurred before taxable year 2022 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
2024	₱13,759,686	₱—	₱—	₱13,759,686	2027
2023	66,307,938	—	—	66,307,938	2026
2022	60,541,134	2,728,552	—	57,812,582	2025
	₱140,608,758	₱2,728,552	(₱—)	₱137,880,206	

As of December 31, 2022, 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	(₱321,204,614)	₱110,389,452	2026
2020	256,381,702	3,604,406	(4,327,645,492)	252,777,296	2025
	₱485,582,244	₱122,415,496	(₱4,648,850,106)	₱363,166,748	

As of December 31, 2024, the amounts of MCIT still allowable as tax credit consist of:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2024	₱7,146,086	₱—	₱—	₱7,146,086	2027
2023	2,860,229	—	—	2,860,229	2026
2022	1,310,353	37,334	(2,151,924)	1,273,019	2025
2021	7,277,110	5,897,971	(1,630,337)	1,379,139	2024
	₱18,593,778	₱5,935,305	(₱3,782,261)	₱12,658,473	

RA No. 11534 otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act or CREATE

President Rodrigo Duterte signed into law on March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25% for domestic and resident foreign corporations. For domestic corporations with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax is repealed.



As clarified by the Philippine Financial Reporting Standards Council in its Philippine Interpretations Committee Q&A No. 2020-07, the CREATE Act was not considered substantively enacted as of December 31, 2020 even though some of the provisions have retroactive effect to July 1, 2020. The passage of the CREATE Act into law on March 26, 2021 is considered as a non-adjusting subsequent event. Accordingly, current and deferred taxes as of and for the year ended December 31, 2020 continued to be computed and measured using the applicable income tax rates as of December 31, 2020 (i.e., 30% RCIT / 2% MCIT) for financial reporting purposes. Current and deferred taxes as of and for the year ended December 31, 2021 were computed and measured using the new tax rates in 2021.

The effect of CREATE Act in 2020 of a lower provision for current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020, which was reflected in the Group's 2020 annual income tax return was only recognized for financial reporting purposes in the 2021 consolidated financial statements. Also, the effect in 2020 of a lower deferred tax assets and liabilities as of December 31, 2020 and provision for deferred tax for the year then ended of ₱259.25 million were recognized for financial reporting purposes only in the 2021 consolidated financial statements.

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

	2024	2023	2022
Net income attributable to equity holders of parent company	₱1,375,145,646	₱440,794,487	₱1,174,088,374
Less dividends attributable to preferred shares	—	—	299,050,374
Net income applicable to common shares	1,375,145,646	440,794,487	875,038,000
Divided by the weighted average number of common shares	1,469,302,230	1,469,302,230	776,465,281
Basic earnings per share	₱0.9359	₱0.3000	₱1.1270

Diluted earnings (loss) per share

	2024	2023	2022
Net income applicable to common share for basic earnings per share	₱1,375,145,646	₱440,794,487	₱875,038,000
Net income applicable to common stockholders for diluted earnings per share	1,375,145,646	440,794,487	875,038,000
Weighted average number of shares of common stock	1,469,302,230	1,469,302,230	776,465,281
Weighted average number of shares of common stock for diluted earnings per share	1,469,302,230	1,469,302,230	776,465,281
Diluted earnings per share	₱0.9359	₱0.3000	₱1.1270



The weighted average number of shares of common stock is computed as follows:

	2024	2023	2022
Number of shares of common stock issued	1,469,602,230	776,765,281	776,765,281
Less treasury shares	300,000	300,000	300,000
	1,469,302,230	776,465,281	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, 2024 and 2023.

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, 2024, 2023 and 2022 follows:

	2024		2023		2022	
	Amount	Shares	Amount	Shares	Amount	Shares
Balance at beginning of year	₱2,204,403,351	1,469,302,230	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281
Issuance of new shares	–	–	1,039,255,425	692,836,949	–	–
Balance at end of year	2,204,403,351	1,469,602,230	2,204,403,351	1,469,602,230	1,165,147,926	776,765,281
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	₱1,162,540,326	776,465,281

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 new 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 367 and 371 as of December 31, 2024 and 2023, respectively.

Capital Management

This policy is intended to safeguard capital for the benefit of all the stakeholders including the shareholders and the policyholders. The BOD establishes the written policies, standards and procedures necessary to effectively implement policies. The level of capital adequacy risk accepted by the Company should be prudent as determined by management. Capital adequacy risk is mitigated through appropriate risk management policies and processes.

Capital Structure

Maximizing returns on capital requires maintenance of an optimal capital structure. The Company seeks to maintain the optimal mixture of available financial instruments within its capital structure. The overall quality of the capital base is a function of the characteristics and amounts of the individual types of capital within the overall capital structure. In general, the quality of individual capital item is measured by the capital's permanency, degree of subordination, ability to absorb losses and fixed charge obligations.

The Company is committed to maintaining a sufficiently high quality capital structure to:

- Maintain the target level of financial strength;
- Achieve the target financial ratings; and
- Comply with the capital adequacy requirements.

The Company has established capital risk management processes and the BOD and Management review the capital structure periodically. A corporate capital management committee monitors the capital management program of the Company to ensure adherence to the policies and to the local regulatory capital requirements. A capital plan is prepared on an annual basis as part of the business planning process. The capital structure of the Company consists of equity comprising issued capital, reserves and retained earnings.



The Company maintains at least the minimum capital required by the applicable local regulators. In addition, the Company maintains an appropriate operational minimum capital ratio and move towards an optimal target capital ratio.

The equity ratio at year end is as follows:

	2024	2023
Equity	₱8,077,295,476	₱7,163,921,283
Total assets	69,709,352,965	61,323,203,480
Equity ratio	0.12:1	0.12:1

Management believes that the above ratio is within the acceptable range.

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. All domestic life and non-life insurance companies duly licensed by the IC must have a net worth of at least ₱250.00 million by December 31, 2013. (Sec. 194).

The minimum net worth of the said companies shall remain unimpaired at all times and shall increase to the amounts as follows:

<u>Minimum Net worth</u>	<u>Compliance Date</u>
₱550,000,000	December 31, 2016
900,000,000	December 31, 2021
1,300,000,000	December 31, 2022

On February 12, 2024, the IC provided the result of the verification of the 2022 annual statement of the Company. Accordingly, the following requirements have been duly complied:

- Minimum Networth Requirement - Section 194 of the Amended Insurance Code
- Capital Investment - Section 209 of the Amended Insurance Code
- Reserve Investment - Section 212 of the Amended Insurance Code
- Minimum Risk-based Capital Ratio - IMC 6-2006

The estimated amounts for 2024 and approved amounts by the IC for 2023 of the Company's non-admitted assets, as defined in the Code, are included in the accompanying statements of financial position as follows:

	2024	2023
Other assets	₱293,202,301	₱192,011,929
Loans and receivables	99,963,590	103,522,139
Property and equipment - net	66,835,884	74,296,582
	₱460,001,775	₱369,830,650

The Excess Solvency shall be the excess of the value of its admitted assets (as defined under the same Code), over the amount of its liabilities and the required minimum capital/net worth.



If an insurance company failed to meet the minimum required capital, the IC is authorized to suspend or revoke all certificates of authority granted to such companies, its officers and agents, and no new business shall be done by and for such company until its authority is restored by the IC.

The final amount of the net worth as of December 31, 2024 can be determined only after the accounts of the Company have been examined by the IC, specifically as to admitted and non-admitted assets as defined under the Code.

Unimpaired Capital Requirement

On August 7, 2008, the Insurance Commission issued IMC 22-2008 providing that for purposes of determining compliance with the law, rules and regulations requiring that the paid-up capital should remain intact and unimpaired at all times, the statements of financial position should show that the net worth or equity is at least equal to the actual paid-up capital. The Company has complied with the unimpaired capital requirement.

Risk-based Capital Requirements (RBC)

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.

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 2024 and approved RBC ratio in 2023 (based on IC approved Synopsis):

	2024	2023
Total available capital	₱5,864,147,767	₱5,228,184,399
RBC requirement	100%	100%
	482%	441%

The RBC ratio in 2024 and 2023 can be determined only after the accounts of the Company have been examined by the IC.



In 2016, IC issued Circular Letter No. 2016-68, *Amended Risk-Based Capital (RBC2) Framework*, prescribes that all insurance companies must satisfy the minimum statutory RBC ratio of 100% and not fail the Trend Test as stated under Section 3 of this Circular. The RBC ratio of an insurance company shall be equal to the Total Available Capital (TAC) divided by the RBC requirement.

IC Circular Letter No. 2016-69, *Implementation Requirements for Financial Reporting, Valuation Standards for Insurance Policy Reserves and Amended Risk-Based Capital (RBC2) Framework*, provides that the level of sufficiency for the RBC2 Framework shall be at 99.50% beginning 2020.

Financial Reporting Framework (FRF)

In 2015, IC issued Circular Letter No. 2015-29, *Financial Reporting Framework under Section 189 of the amended Insurance Code (RA No. 10607)*. Whereas, the FRF will adopt the economic valuation of assets and liabilities based on internationally accepted accounting, actuarial and insurance core principles.

Subsequently, the IC issued Circular Letter No. 2016-65 which states that the new regulatory requirement is hereby promulgated effective January 1, 2020. Accordingly, the financial reporting framework will be used on the statutory quarterly and annual reporting for net worth requirements.

IC has released Circular 2016-66 on the Valuation Standards for Life Insurance Policy Reserves which provides a change in the basis of valuation of the life insurance policy reserves from Net Premium Valuation (NPV) to Gross Premium Valuation (GPV). Whereas, the methods and assumptions shall be in accordance with the internationally accepted actuarial standards and consider the generally accepted actuarial principles concerning financial reporting framework promulgated by the Actuarial Society of the Philippines (ASP) which now considers other assumptions such as morbidity, lapse and/or persistency, expenses, non-guaranteed benefits and margin for adverse deviation.

Solvency Requirements

Under the revised Insurance Code (RA 10607), a non-life insurance company doing business in the Philippines shall at all times maintain the minimum paid-up capital, and net worth requirements as prescribed by the Commissioner. Such solvency requirements shall be based on internationally accepted solvency frameworks and accepted only after due consultation with the insurance industry association.

The Excess Solvency shall be the excess of the value of its admitted assets (as defined under the same Code), over the amount of its liabilities and the required minimum capital/net worth.

If an insurance company failed to meet the minimum required capital, the Insurance Commission is authorized to suspend or revoke all certificates of authority granted to such companies, its officers and agents, and no new business shall be done by and for such company until its authority is restored by the Insurance Commission.

The final amount of the net worth as of December 31, 2024 can be determined only after the accounts of the Company have been examined by the Insurance Commission, specifically as to admitted and non-admitted assets as defined under the Code.



40. Retained Earnings

Retained Earnings Appropriation

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.

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, 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 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.

As of December 31, 2024, appropriated retained earnings amounted to ₱1.7 billion for the planned investments covering various projects.

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.

Retained Earnings Available for Dividend Declaration

Retained earnings include ₱6,034.3 million and ₱4,831.3 million as of December 31, 2024 and 2023, 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 ₱5,384.52 million and ₱1,145.49 million as of December 31, 2024 and 2023, 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 ₱6,549.40 million and ₱6,334.50 million as of December 31, 2024 and 2023, 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, 2024, 2024 and 2023 are as shown below:

	IPO ^(a)			EEI ^(b)			SLRIHSI ^(c)			MICO Equities Corporation, Inc. and Subsidiaries ^(d)			Sunlife Grepa Financial Inc. and Subsidiaries ^(e)			RCBC Trust Corporation ^(f)		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Assets																		
Current assets	4,802	3,805	3,614	–	–	3,614	14	22	1,430	32,986	38,889	–	51,570	45,618	–	461	–	–
Noncurrent assets	17,463	16,159	14,088	–	–	14,088	5,718	3,801	2,279	13,211	12,501	–	18,177	15,676	–	183	–	–
	22,265	19,964	17,702	–	–	17,702	5,732	3,823	3,709	46,198	51,390	–	69,747	61,294	–	644	–	–
Liabilities and Equity																		
Current liabilities	3,878	3,257	3,516	–	–	3,516	2,015	97	8	33,795	39,454	–	45,816	40,076	–	282	–	–
Noncurrent liabilities	1,656	1,623	1,445	–	–	1,445	–	–	–	635	631	–	15,866	14,113	–	122	–	–
	5,533	4,880	4,961	–	–	4,961	2,015	97	8	34,430	40,085	–	61,682	54,189	–	404	–	–
Revenue	5,322	4,491	3,945	–	–	3,945	–	–	–	5,736	–	–	17,437	–	–	477	–	–
Net income (loss)	864	662	782	–	–	782	(9)	25	27	166	–	–	1,560	–	–	120	–	–
Total comprehensive income (loss)	1,855	2,543	1,813	–	–	1,813	(9)	25	27	461	–	–	1,560	–	–	112	–	–
Share of NCI in net assets	7,694	7,117	5,472	–	–	5,472	1,487	2,525	1,480	5,165	4,593	–	4,230	3,868	–	144	60	–
Share of NCI in net income (loss)	442	351	399	–	–	399	(4)	10	11	38	–	–	720	–	–	72	–	–
Dividends paid	107	103	87	–	–	87	–	–	–	–	–	–	416	–	–	–	–	–
Operating	1,747	1,114	1,231	–	–	1,231	(287)	(137)	(58)	(332)	(529)	–	2,782	1,548	–	311	–	–
Investing	(701)	(436)	(214)	–	–	(214)	(1,555)	(1,274)	(374)	(246)	190	–	(2,521)	(1,472)	–	(229)	–	–
Financing	(277)	(832)	(659)	–	–	(659)	1,834	10	1,851	(26)	(32)	–	(433)	(350)	–	105	100	–

(a) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 51.82%

(b) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 0% and 44.66%, respectively

(c) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 40.00% and 0.00%, respectively

(d) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 49.00% and 0.00%, respectively

(e) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 22.670% and 0.00%, respectively

(f) 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.

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% 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%. The sale is accounted as disposal of investment in an associate. In 2024, the remaining EEI shares were accounted as FVOCI after the disposal of the corresponding 5% equity interest.



42. 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. This also includes

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 Service			Financial Services			Other Services			Eliminations			Consolidation		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Revenue	—	5,327	14,652	5,706	5,309	4,855	5,322	4,491	3,945	1,217	1,079	458	23,941	—	—	810	682	390	(898)	(395)	(550)	36,097	11,904	23,905
Net Income (loss) attributable to share of parent	—	(257)	209	(86)	(59)	30	844	662	769	250	327	120	1,809	—	—	554	1,503	844	(1,997)	(798)	(1,000)	1,375	441	1,174
Other Information	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Segment assets	—	—	28,974	1,892	3,969	11,135	22,265	19,964	17,701	17,528	13,429	10,538	115,824	112,785	—	26,136	25,352	7,874	(16,002)	(10,995)	(3,405)	167,644	159,964	65,227
Deferred tax assets	—	—	(1,289)	(60)	(22)	59	(48)	(49)	(38)	(27)	(26)	(29)	(816)	(676)	—	(1)	(58)	(84)	(76)	(31)	39	(1,028)	(832)	(1,412)
Net segment assets	—	—	27,685	1,832	3,947	11,194	22,217	19,915	17,663	17,501	13,403	10,509	115,008	112,109	—	26,135	25,294	7,790	(16,078)	(11,026)	(3,444)	166,616	159,132	63,815
Segment liabilities	—	—	15,557	1,627	1,740	9,453	5,533	4,880	4,961	9,074	6,689	5,741	96,471	94,274	—	1,120	1,630	2,040	825	(8,390)	(401)	114,649	109,750	29,362
Income tax payable	—	—	(6)	—	—	—	(23)	(20)	(5)	(11)	(9)	(1)	(101)	(4)	—	(4)	(8)	(6)	—	—	—	(139)	(40)	(18)
Deferred tax liabilities	—	—	(128)	(6)	(341)	(237)	(903)	(795)	(590)	—	—	(2)	—	—	—	(282)	—	—	(911)	(88)	(116)	(2,102)	(1,990)	(1,045)
Net segment liabilities	—	—	15,423	1,621	1,399	9,216	4,608	4,065	4,366	9,063	6,680	5,738	96,370	94,270	—	834	1,622	2,034	(86)	(8,477)	(285)	112,408	107,720	28,299
Investments in associates and joint ventures	—	—	3,190	—	—	—	—	—	—	7	7	7	1,076	—	—	22,030	22,394	7,134	(18,268)	(2,028)	(1,831)	4,845	6,020	8,303
Equity in net earnings (losses) of associates	—	(366)	(106)	(146)	(96)	42	—	—	—	87	94	105	—	—	—	141	119	384	—	—	—	81	117	425
Cash flows arising from:																								
Operating activities	—	—	(543)	449	16	397	1,747	1,114	1,231	(241)	38	78	2,761	1,019	—	377	(287)	(495)	2,192	(991)	(1,926)	7,285	1,309	(323)
Investing activities	—	—	(210)	(668)	(2)	170	(701)	(436)	(214)	(4,188)	(4,011)	—	(2,996)	(1,282)	—	122	(5,986)	1,373	1,657	(7,089)	4,075	(6,774)	(7,729)	(5,970)
Financing activities	—	—	(3,820)	362	(39)	(290)	(277)	(832)	(659)	2,286	1,710	53	(354)	(382)	—	(501)	(3,799)	5,634	(499)	2,909	(4,357)	1,018	6,429	3,827
Capital expenditures	—	—	(171)	658	—	(73)	716	—	(184)	6	3,947	6,156	241	—	—	17	—	53	1,657	1,248	(2,042)	3,295	4,524	7,029
Interest income	—	24	35	1	1	1	68	64	20	16	40	27	504	—	—	12	40	26	—	(1)	(7,407)	601	115	108
Interest expense	—	(214)	(398)	(57)	(54)	(24)	(121)	(149)	(113)	(380)	(284)	(77)	(32)	—	—	(54)	(68)	(58)	13	—	47	(631)	(526)	(670)
Provision/ (Benefit) for income tax	—	(47)	(70)	18	(22)	(16)	(96)	(45)	5	(94)	(61)	(22)	(420)	—	—	(14)	(28)	(15)	(2)	—	—	(607)	(138)	(118)
Earnings (loss) before income tax	—	(210)	270	(104)	(37)	57	960	707	777	343	388	142	2,191	—	—	569	1,530	848	(673)	(251)	—	3,286	1,180	1,843
Earnings before income tax and depreciation and amortization	—	(210)	817	(52)	31	128	1,494	1,214	1,252	344	490	163	2,381	—	—	619	1,550	858	(563)	(263)	(668)	4,223	1,861	2,955
Noncash items:																								
Additional revaluation increment on land	—	—	129	—	1,038	614	1,101	4,517	1,005	—	—	—	—	329	—	—	—	—	—	(385)	96	1,101	3,290	1,363
Depreciation and amortization	—	—	547	52	68	70	534	507	475	1	102	21	191	—	—	50	20	44	110	(11)	(668)	938	681	1,146



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:

	2024		2023	
	Number of Policies	Amount of Insurance	Number of Policies	Amount of Insurance
Group life	1,218	₱280,571,195,367	1,070	₱277,137,900,884
Whole life	47,357	25,512,854,241	45,931	23,450,354,659
Endowment	10,486	10,882,309,210	8,998	8,800,000,144
Term	15,530	21,340,739,928	15,265	17,999,644,588
Accident and health	554	224,393,544,153	442	197,884,828,483
Variable unit-linked	112,752	131,444,789,433	110,233	125,236,717,763
	187,897	₱694,145,432,332	181,939	₱650,509,446,521

Key assumptions

Material judgment is required in determining the liabilities and in the choice of assumptions relating to insurance contracts. Assumptions in use are based on past experience, current internal data and conditions and external market indices and benchmarks, which reflect current observable market prices and other published information. Such assumptions are determined as appropriate at inception of the contract and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations. Assumptions are subject to the provisions of the Code and guidelines set by the IC.

For insurance contracts, the Group determines the assumptions in relation to future deaths, illness or injury, policyholder experiences (lapses and surrenders) and investment returns at inception of the contract.

The reserves for traditional life insurance policies shall be valued, where appropriate, using the gross premium valuation. This is calculated as the sum of the present value of future benefits and expenses, less the present value of future gross premiums arising from the policy discounted at the appropriate risk-free discount rate. The expected future cash flows shall be determined using best estimate assumptions with due regard to significant recent experience and appropriate margin for adverse deviation from the expected experience.

For policies with coverages one year or less and for the risk portion of variable unit-linked policies, unearned premium reserves method is used.

The key assumptions to which the estimation and adequacy testing of liabilities are particularly sensitive are as follows:

- **Mortality and morbidity rates**
Assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Group's actual experience. The increase in mortality and morbidity rates will increase the legal policy reserves and result in a corresponding decrease in profit or loss.
- **Discount rates**
The risk-free discount rate provided by IC shall be used for all cash flows to determine the liability of a traditional life insurance policy. The yield curve used as basis for the risk-free discount shall be obtained from the following sources:
 - For Philippine peso policies: BVAL rates
 - For US Dollar policies: International Yield Curve (IYC) from Bloomberg



The increase in discount rate will decrease the legal policy reserves and result in a corresponding increase in remeasurement on legal policy reserves in OCI.

- *Lapses and/or persistency rates*

Lapse and/or persistency rates reflective of the Group's actual experience are taken as the best estimate lapse and/or persistency assumption, with regard to changing Company practices and market conditions.

- *Non-guaranteed benefits*

The level of non-guaranteed benefits under traditional life insurance policies to be valued, including policy dividends, are determined with due regard to the Group's duty to treat its policyholders fairly and meet policyholders' reasonable expectations.

Non-life insurance contracts

The principal risk the Group faces under non-life insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Group purchases reinsurance as part of its risks mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis with retention limits varying by product line and territory. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Group to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

The Group's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Group substantially dependent upon any single reinsurance contract.

The Group principally issues the following types of general insurance contracts: fire, motor car, personal accident, marine, engineering, bonds and miscellaneous casualty. The most significant risks arise from climate changes and natural disasters. These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry.

To further reduce the risk exposure, the Group requires strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims.



The Group further enforces a policy of actively managing and promptly pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Group.

The Group also has limited its exposure level by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events. The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes to a predetermined maximum amount based on the Group's risk appetite as decided by management.

The tables below set out the concentration of the claims liabilities by type of contract (Note 14).

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

2023			
	Gross	Reinsurers' Share	Net
Fire	₱16,957,367,317	₱14,863,194,561	₱2,094,172,756
Engineering	1,779,552,175	1,457,018,514	322,533,661
Marine cargo	2,275,638,951	2,094,540,558	181,098,393
Motor	1,928,735,575	1,248,700,816	680,034,759
Miscellaneous casualty	481,317,401	329,834,372	151,483,029
Bonds	34,251,980	9,974,981	24,276,999
Others	201,591,453	26,243,199	175,348,254
	₱23,658,454,852	₱20,029,507,001	₱3,628,947,851

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.

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)
2023				
	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%	₱75,391,802	₱64,716,856	(₱64,716,856)
Average number of claims	+5%	71,977,280	61,785,806	(61,785,806)

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 2024												
	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	76,130,825,353
Liability recognized	4,269,947,561	25,453,704	21,932,459	192,289,714	175,031,067	230,161,386	735,763,847	1,707,573,191	8,125,595,371	2,415,701,337	219,066,394	18,118,516,031

Net insurance contract liabilities in 2024												
	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year												
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	193,617,459	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



Gross insurance contract liabilities in 2023													
	2012 and prior year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Accident year	₱43,467,790,813	₱5,167,841,797	₱2,238,962,200	₱2,796,073,731	₱16,240,395,927	₱ 5,151,936,988	₱ 4,980,155,446	₱6,924,129,835	₱14,674,208,685	₱18,556,878,985	₱1,454,374,569	₱43,467,790,813	₱1,454,374,569
Accident year	46,174,041,108	4,113,293,817	2,429,947,338	2,232,717,929	18,336,051,579	4,311,367,165	5,217,162,712	7,089,827,891	13,238,768,283	18,485,126,714	–	46,174,041,108	18,485,126,714
One year later	44,199,924,059	3,957,735,376	2,097,131,891	2,695,356,507	12,872,467,499	2,908,043,234	3,866,860,164	7,007,800,871	11,289,359,077	–	–	44,199,924,059	11,289,359,077
Two years later	43,828,975,853	3,767,403,315	2,373,077,300	2,468,108,873	11,415,498,310	3,065,981,330	3,891,154,806	6,738,249,928	–	–	–	43,828,975,853	6,738,249,928
Three years later	42,911,109,153	3,810,738,275	2,215,975,712	2,431,414,167	8,312,803,951	3,075,663,218	3,778,447,121	–	–	–	–	42,911,109,153	3,778,447,121
Four years later	43,221,600,500	3,715,433,045	2,156,647,211	2,396,847,433	8,325,393,603	2,942,637,943	–	–	–	–	–	43,221,600,500	2,942,637,943
Five years later	42,635,728,956	3,718,234,410	2,155,830,719	2,395,895,626	8,263,702,172	–	–	–	–	–	–	42,635,728,956	8,263,702,172
Six years later	41,945,703,546	3,383,628,480	2,147,390,247	2,358,426,574	–	–	–	–	–	–	–	41,945,703,546	2,358,426,574
Seven years later	40,847,455,855	3,197,688,172	2,138,305,014	–	–	–	–	–	–	–	–	40,847,455,855	2,138,305,014
Eight years later	45,309,983,048	3,121,730,026	–	–	–	–	–	–	–	–	–	45,309,983,048	3,121,730,026
Nine years later	31,168,738,707	–	–	–	–	–	–	–	–	–	–	31,168,738,707	31,168,738,707
Ten years later													
Current estimate of cumulative claims	31,168,738,707	3,121,730,026	2,138,305,014	2,358,426,574	8,263,702,172	2,942,637,943	3,778,447,121	6,738,249,928	11,289,359,077	18,485,126,714	1,454,374,569	31,168,738,707	91,739,097,845
Cumulative payments to date	28,890,982,210	2,931,403,656	2,107,039,975	2,296,839,154	8,051,215,043	2,445,675,521	3,437,153,505	5,474,835,471	6,005,375,504	5,268,549,569	1,171,573,385	28,890,982,210	68,080,642,993
Liability recognized	₱2,277,756,497	₱ 190,326,370	₱31,265,039	₱61,587,420	₱212,487,129	₱496,962,422	₱ 341,293,616	₱ 1,263,414,457	₱ 5,283,983,573	₱13,216,577,145	₱282,801,184	₱2,277,756,497	₱23,658,454,852

Net insurance contract liabilities in 2023													
	2012 and prior year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Accident year	₱3,627,152,363	₱1,812,012,568	₱1,804,116,939	₱738,782,388	₱1,037,513,600	₱1,826,727,252	₱1,727,128,442	₱1,209,989,312	₱1,522,823,993	₱1,794,948,588	₱3,411,706,986	₱3,627,152,363	₱3,411,706,986
Accident year	3,396,901,105	1,256,259,736	1,940,543,935	829,395,809	2,358,374,912	1,433,867,297	1,390,662,826	795,905,554	2,225,849,984	1,932,839,163	–	3,396,901,105	1,932,839,163
One year later	3,352,855,378	1,147,993,860	1,676,757,165	709,323,609	1,627,787,731	1,238,749,646	1,054,655,343	438,841,168	1,868,924,559	–	–	3,352,855,378	1,868,924,559
Two years later	4,583,315,933	1,091,796,733	544,259,890	662,243,427	1,535,753,221	1,201,760,770	1,053,043,530	372,301,064	–	–	–	4,583,315,933	372,301,064
Three years later	4,400,532,048	116,147,156	498,190,666	672,733,414	1,499,568,290	1,208,015,398	1,027,461,290	–	–	–	–	4,400,532,048	1,027,461,290
Four years later	2,612,374,927	79,666,583	463,676,023	648,352,167	1,884,179,994	1,102,519,745	–	–	–	–	–	2,612,374,927	1,102,519,745
Five years later	1,508,403,865	73,255,775	462,621,831	650,174,781	1,800,594,549	–	–	–	–	–	–	1,508,403,865	1,800,594,549
Six years later	1,428,412,097	67,565,592	462,933,005	612,994,907	–	–	–	–	–	–	–	1,428,412,097	612,994,907
Seven years later	1,384,359,724	65,861,937	453,846,824	–	–	–	–	–	–	–	–	1,384,359,724	453,846,824
Eight years later	1,339,437,411	55,982,499	–	–	–	–	–	–	–	–	–	1,339,437,411	55,982,499
Nine years later	9,001,670,353	–	–	–	–	–	–	–	–	–	–	9,001,670,353	9,001,670,353
Ten years later													
Current estimate of cumulative claims	9,001,670,353	55,982,499	453,846,824	612,994,907	1,800,594,549	1,102,519,745	1,027,461,290	372,301,064	1,868,924,559	1,932,839,163	3,411,706,986	9,001,670,353	21,640,841,939
Cumulative payments to date	8,803,580,439	44,999,194	445,651,641	607,232,783	1,746,198,817	1,028,047,378	879,003,026	163,251,600	932,185,176	1,901,099,922	1,460,644,112	8,803,580,439	18,011,894,088
Liability recognized	₱198,089,914	₱10,983,305	₱8,195,183	₱5,762,124	₱54,395,732	₱74,472,367	₱148,458,264	₱209,049,464	₱936,739,383	₱31,739,241	₱1,951,062,874	₱198,089,914	₱3,628,947,851



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.

	2024				Total
	Up to a year	1-5 years	More than 5 years	No maturity date	
<i>Financial Assets</i>					
Cash and cash equivalents	₱8,293,005,389	₱-	₱-	₱-	₱8,293,005,389
Receivables	10,173,645,069	835,620,541	-	-	11,009,265,610
Loans receivables	1,048,966,592	797,617,767	213,000,000	-	2,059,584,359
Equity investments at FVOCI	3,176,893,190	1,456,775,543	15,789,784,308	5,126,689,894	25,550,142,935
Financial assets at FVTPL	844,927,908	139,958,238	5,903,708,519	1,014,796,075	7,903,390,740
Investment securities at amortized cost	259,524,399	288,745,548	3,831,032,192	-	4,379,302,139
	₱23,796,962,547	₱3,518,717,637	₱25,737,825,019	₱6,141,485,969	₱59,194,691,172



Financial Liabilities

Accounts payable and other current liabilities	₱9,883,117,824	₱–	₱–	₱–	₱9,883,117,824
Insurance contract liabilities	31,956,515,864	15,747,336,991	–	–	47,703,852,855
Loans payable	5,635,000,000	–	–	–	5,635,000,000
Long-term loans	32,573,600	2,682,729,050	–	–	2,715,302,650
Lease liabilities	167,708,899	420,407,428	142,279,964	–	730,396,291
Due to related parties	148,011,591	–	–	–	148,011,591
	₱47,822,927,778	₱18,850,473,469	₱142,279,964	₱–	₱66,815,681,211

	2023				Total
	Up to a year	1-5 years	More than 5 years	No maturity date	
<i>Financial Assets</i>					
Cash and cash equivalents	₱6,633,047,805	₱–	₱–	₱–	₱6,633,047,805
Receivables	10,178,719,568	1,506,955,043	–	–	11,685,674,611
Loans receivables	742,449,962	1,123,361,145	–	–	1,865,811,107
Equity investments at FVOCI	4,109,211,068	2,378,801,601	13,973,972,300	2,386,005,435	22,847,990,404
Financial assets at FVTPL	904,427,235	214,662,673	4,760,380,997	543,510,885	6,422,981,790
Investment securities at amortized cost	201,870,979	213,855,539	2,897,049,785	–	3,312,776,303
	₱22,769,726,617	₱5,437,636,001	₱21,631,403,082	₱2,929,516,320	₱52,768,282,020

Financial Liabilities

Accounts payable and other current liabilities	₱7,649,852,076	₱–	₱–	₱–	₱7,649,852,076
Insurance contract liabilities	37,422,659,896	14,026,067,186	–	–	51,448,727,082
Loans payable	3,971,142,021	–	–	–	3,971,142,021
Long-term loans	32,573,600	2,709,237,650	–	–	2,741,811,250
Lease liabilities	97,874,024	374,981,378	135,127,900	–	607,983,302
Due to related parties	89,378,588	–	–	–	89,378,588
	₱41,613,628,129	₱17,110,286,214	₱135,127,900	₱–	₱58,859,042,243

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.

c. 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 available-for-sale securities assets 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 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.

Market Index	2024		2023	
	Change in variable	Effect on equity	Change in variable	Effect on equity
PSE	9.78% (9.78%)	182,516,284 (182,516,284)	18.28% (18.28%)	310,099,150 (310,099,150)
Others	15.00% (15.00%)	115,096,913 (115,096,913)	15.00% (15.00%)	80,923,033 (80,923,033)

d. 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 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 Group's financial assets as of December 31:

	2024				
	Neither Past Due Nor Impaired		Past due		Total
	High Grade	Standard Grade	but not impaired	Impaired	
Financial assets at FVTPL	₱7,775,482,375	₱127,908,365	₱—	₱—	₱7,903,390,740
Financial assets at FVOCI	24,728,802,760	821,340,175	—	—	25,550,142,935
Investment securities at amortized cost	4,379,302,139	—	—	—	4,379,302,139
Cash and cash equivalents	8,291,525,689	—	—	—	8,293,005,389
Receivables	9,010,855,919	—	683,993,143	1,314,416,548	11,009,265,610
Loans receivables	2,022,133,315	34,302,557	—	3,148,487	2,059,584,359
	₱55,858,388,764	₱985,030,797	₱683,993,143	₱1,667,278,468	₱59,194,691,172

	2023				
	Neither Past Due Nor Impaired		Past due		Total
	High Grade	Standard Grade	but not impaired	Impaired	
Financial assets at FVTPL	₱6,304,154,769	₱118,827,021	₱—	₱—	₱6,422,981,790
Financial assets at FVOCI	22,181,874,634	666,115,770	—	—	22,847,990,404
Investment securities at amortized cost	3,312,776,303	—	—	—	3,312,776,303
Cash and cash equivalents	6,633,047,805	—	—	—	6,633,047,805
Receivables	9,781,828,520	—	619,962,360	1,283,883,731	11,685,674,611
Loans receivables	1,819,359,189	43,303,431	—	3,148,487	1,865,811,107
	₱50,033,041,220	₱828,246,222	₱619,962,360	₱1,287,032,218	₱52,768,282,020



Below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

2024	Current	Days past due				Total
		1-30 days	30-60 days	61-90 days	>90 days	
Expected credit loss rate	0%	0%	0%	0%	36%	36%
Carrying value	9,265,443,885	114,527,947	349,472,999	219,992,197	1,667,278,468	11,616,715,496
Expected credit loss	—	—	—	—	607,449,886	607,449,886

2023	Current	Days past due				Total
		1-30 days	30-60 days	61-90 days	>90 days	
Expected credit loss rate	0%	0%	0%	0%	37%	36%
Carrying value	10,254,514,826	27,459,151	182,442,183	410,061,026	1,287,032,218	12,161,509,404
Expected credit loss	—	—	—	—	475,834,793	475,834,793

f. 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.

	2024			
	US Dollars	Euro	Others	Total
<i>Financial Assets</i>				
Cash and cash equivalents	₱1,115,791,537	₱170,296	₱564,028,462	₱1,679,990,295
Financial assets at FVTPL	1,032,566,821	982,741	54,973,884	1,088,523,446
Financial assets at FVOCI	4,827,386,018	4,736,804	44,289,801	4,876,412,623
Investment at amortized cost	482,819,932			482,819,932
Loans and receivables	1,683,663,545	139,524,450	22,562,416	1,845,750,411
Accrued income	96,247,492	—	754,536	97,002,028
	₱9,238,475,345	₱145,414,291	₱686,609,099	₱10,070,498,735
<i>Financial Liabilities</i>				
Legal policy reserves	₱835,575,306	₱—	₱—	₱835,575,306
Premium deposit funds	220,815,421	—	—	220,815,421
Insurance payables	918,126,016	—	34,461,226	952,587,242
	₱1,974,516,742	₱145,414,291	₱34,461,226	₱2,008,977,968

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	Impact on income before tax increase (decrease)		Impact on income before tax increase (decrease)	
	Change in rate	2024	Change in rate	2023
US Dollar	+5%	₱363,197,930	+5%	₱387,232,994
	-5%	(363,197,930)	-5%	(387,232,994)
Euro	+5%	245,930	+5%	734,925
	-5%	(245,930)	-5%	(734,925)
Others*	+5%	4,756,590	+5%	5,851,133
	-5%	(4,756,590)	-5%	(5,851,133)

*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



Interest Rate Risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's fixed rate investments in particular are exposed to such risk.

The Group's market risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets.

The following table sets out the Group's financial assets exposed to interest rate risk by maturity:

	Interest Rate	2024			
		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	6,159,409,917
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	₱25,739,195,619	₱34,062,564,769

	Interest Rate	2023			
		Within one year	1-3 years	More than 3 years	Total
Cash and cash equivalents	0.05% - 5.85%	₱2,697,094,746	₱—	₱—	₱2,697,094,746
Short-term investments	2.90% - 5.60%	2,570,978	—	—	2,570,978
Financial assets at FVTPL	3.28% - 8.70%	90,661,398	214,662,673	4,760,380,997	5,065,705,068
Financial assets at FVOCI	0.25% - 11.25%	1,440,717,038	2,288,373,643	13,784,419,564	17,513,510,245
Investment securities at amortized cost	1.65% - 9.25%	100,177,378	82,259,930	2,897,050,245	3,079,487,553
Policy loans	6.00% - 8.00%	560,415,719	—	—	560,415,719
Long-term commercial papers	2.46% - 7.82%	277,326,639	548,608,342	258,003,732	1,083,938,713
Notes receivable	1.00% - 8.00%	4,109,987	8,112,093	440,235	12,662,315
Security fund	4.76%	909,737	—	—	909,737
Total interest-bearing financial assets		₱5,173,983,620	₱3,142,016,681	₱21,700,294,773	₱30,016,295,074

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)	
		2024	2023
Philippine Peso	+ 100	₱199,688,263	₱167,320,969
U.S. Dollar	+ 100	91,525,345	53,174,824
Philippine Peso	– 100	308,694,913	259,134,249
U.S. Dollar	– 100	147,273,472	80,896,145

Financial Instruments

Due to the short-term nature of cash and cash equivalents, other receivables, accounts payable and other liabilities, loans payable, long-term loans, lease liabilities and due to related parties their carrying values approximate their fair values at reporting dates.



Summarized below how the Company classifies its financial assets at fair value.

2024				
	Level 1	Level 2	Level 3	Total
Receivables	₱11,009,265,610	₱—	₱—	₱11,009,265,610
Loans receivables	922,744,802	1,136,839,557	—	2,059,584,359
Financial assets at FVOCI	24,703,642,102	846,500,833	—	25,550,142,935
Financial assets at FVTPL	1,944,372,052	5,959,018,688	—	7,903,390,740
Investment securities at amortized cost	4,379,302,139	—	—	4,379,302,139
Investment properties	—	—	12,395,384,044	12,395,384,044
	₱42,959,326,705	₱7,942,359,078	₱12,395,384,044	₱63,297,069,827

2023				
	Level 1	Level 2	Level 3	Total
Receivables	₱11,685,674,611	₱—	₱—	₱11,685,674,611
Loans receivables	941,250,166	924,560,941	—	1,865,811,107
Financial assets at FVOCI	22,022,046,749	825,943,655	—	22,847,990,404
Financial assets at FVTPL	992,725,889	5,430,255,901	—	6,422,981,790
Investment securities at amortized cost	3,312,776,303	—	—	3,312,776,303
Investment properties	—	—	10,895,830,103	10,895,830,103
	₱38,954,473,718	₱7,180,760,497	₱10,895,830,103	₱57,031,064,318

44. Changes in Liabilities Arising from Financing Activities

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

2023				
	January 1, 2022	Net cash flows	Non-cash movement	December 31, 2023
Loans payable (Note 26)	₱8,217,000,000	(₱845,857,979)	(₱3,400,000,000)	₱3,971,142,021
Long-term debt (Note 27)	9,031,523,279	615,007,701	(4,766,185,810)	4,880,345,170
Lease liabilities (Note 22)	1,378,830,278	(149,706,182)	(621,140,794)	607,983,302
	₱18,627,353,557	(₱380,556,460)	(₱8,787,326,604)	₱9,459,470,493



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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, included in this Form 17-A, and have issued our report thereon dated April 14, 2025. 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

BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10465259, January 2, 2025, Makati City

April 14, 2025



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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. 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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

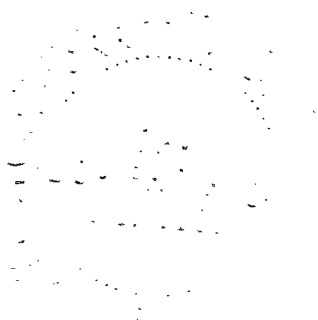
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PTR No. 10465259, January 2, 2025, Makati City

April 14, 2025



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68 DECEMBER 31, 2024

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, 2024.

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				
BNY Mellon - listed equity securities	various	158,044,340	158,044,340	1,695,447
BNY Mellon - funds	various	72,273,541	72,273,541	-
Ayala Land Inc	204,000	5,344,800	5,344,800	101,245
SM Prime Holdings	38,500	968,275	968,275	13,321
SM Investments Corp	3,800	3,416,200	3,416,200	34,200
FAMI SAVE AND LEARN	7,722,208	35,866,567	35,866,567	-
FAMI Consumer Fund	26,851,977	17,115,450	17,115,450	-
Sun Life Grepa	23,349,557	27,248,933	27,248,933	-
RCBC Blue Chip Equity Fund	57,907,099	48,036,429	48,036,429	-
Rizal Equity Fund	14,142,496	48,749,651	48,749,651	-
RCBC Dividend Equity Fund	11,956,988	12,191,094	12,191,094	-
BNY Mellon - listed equity securities	various	193,623,243	193,623,243	1,337,862
BNY Mellon - funds	various	55,534,192	55,534,192	3,008,462
UBS (CS) - listed equity securities	various	80,960,424	80,960,424	967,467
UBS (CS) - funds	various	243,421,862	243,421,862	330,848
Julius Baer - funds	various	2,466,117	2,466,117	215,911
LGT - funds	various	9,534,956	9,534,956	99,395
Fukoko Mutual	17,353,500	17,311,505	17,311,505	878,314
SMCGL 5.7% PERP	8,850,285	8,710,628	8,710,628	643,496
SMCGL 8.125%	5,610,965	5,678,970	5,678,970	-
GLOBE 4.2% 2070	11,569,000	11,284,403	11,284,403	492,014
UBS (CS) - private bonds	various	42,540,023	42,540,023	2,686,953
UBS - private bonds	various	27,881,290	27,881,290	90,690
Julius Baer - private bonds	various	93,116,278	93,116,278	8,797,705
LGT - private bonds	various	66,141,674	66,141,674	3,489,869
Standard Chartered Bank XS2543127547	220,000,000	221,892,000	221,892,000	9,086,458
Standard Chartered Bank XS2537432473	100,000,000	195,227,180	195,227,180	233,333
DBS Bank Ltd XS2478986628	340,000,000	339,762,000	339,762,000	771,288
Goldman Sachs XS1999006338	420,000,000	423,402,000	423,402,000	387,333
ING Bank N.V. XS2498954820	399,973,450	400,821,393	400,821,393	8,464,994
Bank of America Corporation XS2814753120	60,000,000	55,725,000	55,725,000	968,383
ING Bank N.V. XS2498954747	419,985,062	445,532,753	445,532,753	18,482,143
Citigroup Global Markets Holdi XS2761197966	440,000,000	440,660,000	440,660,000	930,356
Bank of America Corporation XS2769675922	150,000,000	145,800,000	145,800,000	5,451,458
Goldman Sachs XS2061650490	420,000,000	437,850,000	437,850,000	18,676,000
DBS Bank Ltd XS2478990497	500,000,000	497,850,000	497,850,000	1,121,096
Bank of America Corporation XS2769675500	200,000,000	192,400,000	192,400,000	7,056,389
Standard Chartered Bank XS2545646213	410,000,000	411,394,000	411,394,000	16,156,563
Bank of America Corporation XS2711528252	420,000,000	394,170,000	394,170,000	872,667
Nomura Bank International Plc XS2537431665	400,000,000	400,400,000	400,400,000	15,513,444
Standard Chartered Bank XS2541313420	100,000,000	101,020,000	101,020,000	4,116,667
Nomura Bank International Plc XS2544578250	430,000,000	432,236,000	432,236,000	17,749,206
Citigroup Global Markets Holdi XS2541416231	400,000,000	446,600,000	446,600,000	1,038,889
Sun Life Prosperity MMF	14,755,066	15,175,585	15,175,585	-
GAMC Sun Life Prosperity MMF		59,899,254	59,899,254	-
SLG MyFuture 2025 Fund	1,500,000	1,557,900	1,557,900	-
SLG MyFuture 2030 Fund	10,000,000	9,778,000	9,778,000	-
SLG MyFuture 2035 Fund	10,000,000	9,569,000	9,569,000	-
SLG MyFuture 2040 Fund	10,000,000	9,708,000	9,708,000	-
SLG MyFuture 2045 Fund	50,000,000	52,990,000	52,990,000	-
SLG MyFuture 2050 Fund	50,000,000	52,860,000	52,860,000	-
SLG MyFuture 2055 Fund	50,000,000	52,855,000	52,855,000	-
SLG Balanced Fund	1,500,000	1,797,300	1,797,300	-
SLG Bond Fund	1,500,000	2,216,550	2,216,550	-
SLG Dynamic Fund	10,000,000	9,503,000	9,503,000	-
SLG Equity Fund	1,500,000	1,904,850	1,904,850	-
SLG Growth Fund	1,500,000	1,881,300	1,881,300	-
SLG Growth PLUS Fund	10,000,000	11,143,000	11,143,000	-
SLG Income Fund	1,500,000	2,342,700	2,342,700	-
SLG Opportunity Fund	1,500,000	1,873,650	1,873,650	-
SLG Opportunity Tracker Fund	1,500,000	1,672,050	1,672,050	-

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 Index Fund	10,000,000	8,711,000	8,711,000	-
SLG Money Market Fund	10,000,000	10,971,000	10,971,000	-
SLG Captains Fund	10,000,000	9,630,000	9,630,000	-
SLG Peso Global Growth Fund	25,000,000	28,397,500	28,397,500	-
SLG Peso Global Income Fund	25,000,000	24,075,000	24,075,000	-
SLG Peso Global Opport Fund	25,000,000	27,325,000	27,325,000	-
SLG Peso Global Sust Grow	25,000,000	30,870,000	30,870,000	-
SLG Peso Global Opp Payout	25,000,000	25,900,000	25,900,000	-
SLG VUL PAB - Hybrid Income	1,000,000	1,099,800	1,099,800	-
SLG VUL PAB - Hybrid Income 2	1,000,000	1,094,600	1,094,600	-
SLG VUL PAB - Hybrid Income 3	1,000,000	1,080,700	1,080,700	-
SLG VUL PAB - ProIncome	1,000,000	930,800	930,800	-
SLG VUL PAB - ProIncome 2	1,000,000	946,600	946,600	-
SLG VUL PAB - ProIncome 3	1,000,000	960,300	960,300	-
SLG VUL PAB - ProIncome 4	1,000,000	953,400	953,400	-
SLG VUL PAB - ProIncome 5	1,000,000	954,600	954,600	-
SLG Global Income Fund	500,000	25,098,639	25,098,639	-
SLG Global Opportunity Fund	500,000	38,134,018	38,134,018	-
SLG Global Growth Fund	500,000	39,249,015	39,249,015	-
SLG Dollar Money Market Fund	500,000	29,550,222	29,550,222	-
SLG Global Opp Payout Fund	500,000	25,059,418	25,059,418	-
SLG VUL GAB - ProIncome	20,000	1,181,449	1,181,449	-
SLG VUL GAB - ProIncome 2	20,000	1,145,589	1,145,589	-
SLG VUL GAB - ProIncome 3	20,000	1,141,780	1,141,780	-
Subtotal		7,903,390,740	7,903,390,740	151,959,865
Financial assets at FVOCI				
Petro Energy Corp	103	371	371	5
Phil. Long Distance Tel.	5,900	7,640,500	7,640,500	566,400
RCBC	33,706,375	837,603,419	837,603,419	34,178,264
Seafont Resources	2,340,860	4,447,634	4,447,634	-
National Re	273,717,200	188,864,868	188,864,868	-
Unquoted stocks	133,812	292,414	292,414	-
House of Investments	2,790,000	9,430,200	9,430,200	-
BNY Mellon - private bonds	-	201,113,480	201,113,480	-
Rizal Commercial Banking Corp	29,211,695	725,910,621	725,910,621	33,271,059
PLDT-Common	396,110	512,962,450	512,962,450	54,356,160
PLDT-Preferred	9,244	92,440	92,440	-
Engineering Equipment	1,365,312	4,915,123	4,915,123	-
Engineering Equipment Preferred - A	119,700	11,850,300	11,850,300	689,963
Engineering Equipment Preferred - B	294,700	29,013,215	29,013,215	2,045,041
House of Investments	35,359,951	119,516,634	119,516,634	1,834,129
IPeople Inc.	13,524,971	91,834,553	91,834,553	6,179,744
Panasonic Manufacturing Phils	15,098,883	82,741,879	82,741,879	-
National Reinsurance	49,167,200	33,925,368	33,925,368	-
PetroEnergy Resource	30,103,023	108,370,883	108,370,883	-
Double Dragon	100,000	9,720,000	9,720,000	726,375
Double Dragon REIT	22,222,000	22,888,660	22,888,660	1,615,962
Seafont Resources	4,154,000	7,892,600	7,892,600	-
Seafont Resources	1,283,000	2,437,700	2,437,700	-
Filinvest Reit Corp	6,651,500	19,621,925	19,621,925	1,682,830
ACEN Corp Preferred - A	200,000	210,000,000	210,000,000	14,266,000
Cebu Landmaster Inc Series A-1	30,000	30,000,000	30,000,000	568,875
Cebu Landmaster Inc Series A-2	30,000	32,040,000	32,040,000	618,750
Export & Industry Bank	12,601,000	-	-	-
ALI Voting Preferred	175,400	17,540	17,540	-
Bonifacio Land Corp.	25,888	10,678,541	10,678,541	529,054
Filsyn Corporation	370,883	-	-	-
Marcopper Mining Cor	591,718	-	-	-
Manila Memorial Park	686,198	72,476,233	72,476,233	1,800,240
Manila Mem Park Cemetery	1,029,297	108,714,349	108,714,349	-
PHIL LIVESTOCK	80	80,000	80,000	-
Phil. Machinery Mgmt	20	20,000	20,000	-
ETM Phils Holdings Inc.	25,000,000	25,000,000	25,000,000	2,500,000
YGC-Corporate Servc	34,589	9,471,160	9,471,160	-
Great Pacific Life Holdings	706,042	10,929,530	10,929,530	-
Puerto Azul Beach	1	250,000	250,000	-
Alabang Country Club	1	15,000,000	15,000,000	-
Anvaya Cove Golf and Country Club	1	4,000,000	4,000,000	-
Alta Vista Golf and Country Club	1	650,000	650,000	-
Forest Hills Golf Club	1	2,300,000	2,300,000	-
Canlubang Golf & Country Club	1	4,000,000	4,000,000	-
Manila Golf & Country Club	1	160,000,000	160,000,000	-
Manila Polo Club	1	50,000,000	50,000,000	-
Sta. Elena Properties	2	48,000,000	48,000,000	-
The Country Club, Inc.	1	8,000,000	8,000,000	-
Tagaytay Midlands	1	2,800,000	2,800,000	-
Volley Golf Club	1	5,000,000	5,000,000	-
Wack-Wack Golf Club	1	85,000,000	85,000,000	-
UBS - listed equity securities	various	10,534,211	10,534,211	362,682
Julius Baer - listed equity securities	various	99,389,552	99,389,552	674,946
LGT - listed equity securities	various	375,644,099	375,644,099	968,115
US Treasury bills	various	380,385,044	380,385,044	1,684,461
AYALA 5.125%	17,353,500	15,032,469	15,032,469	866,942
ACENPM 4% PERP	17,353,500	11,421,900	11,421,900	679,740
UBS (CS) - private bonds	various	788,779,808	788,779,808	26,204,363
BNY Mellon - govt bonds	various	357,475,619	357,475,619	410,258
BNY Mellon - private bonds	various	550,228,440	550,228,440	14,770,322
UBS - govt bonds	various	857,287,366	857,287,366	32,420,497
UBS - private bonds	various	595,830,829	595,830,829	10,695,490
Julius Baer - govt bonds	various	680,209,418	680,209,418	16,602,937
Julius Baer - private bonds	various	559,751,977	559,751,977	7,513,966

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
LGT1 - private bonds	various	443,765,212	443,765,212	4,311,655
LGT2 - govt bonds	various	449,611,256	449,611,256	4,416,702
LGT2 - private bonds	various	352,428,840	352,428,840	1,243,393
RTBs	various	573,690,480	573,690,480	25,191,806
FXTNs	various	49,985,969	49,985,969	2,407,118
Philippines Treasury Notes PIBD2033C206	1,200,000	1,036,956	1,036,956	12,083
Philippines Treasury Notes PIBD2039A232	87,500,000	90,643,000	90,643,000	2,575,781
Philippines Treasury Notes PIBD2039A232	100,000,000	103,592,000	103,592,000	2,943,750
Ayala Land Inc. Z05820865	136,000,000	133,545,200	133,545,200	29,180
Maynilad Water Services Inc YW2514712	11,500,000	11,534,006	11,534,006	179,002
Maynilad Water Services Inc YW2514712	38,000,000	38,112,366	38,112,366	591,486
ROP Dollar Bonds 2041 US718286CA32	2,500,000	1,985,200	1,985,200	30,833
Philippines Treasury Notes PIBD2534K062	100,000,000	119,261,000	119,261,000	1,438,889
ROP Dollar Bonds 2028 US718286CC97	1,500,000	1,409,415	1,409,415	18,750
ROP Dollar Bonds 2028 US718286CC97	1,000,000	939,610	939,610	12,500
ROP Dollar Bonds 2030 US718286AY36	900,000	1,075,428	1,075,428	35,388
South Luzon Tollway Corp EK9332496	75,000,000	74,851,125	74,851,125	527,085
Philippines Treasury Notes PIBD2026A122	10,000,000	10,337,400	10,337,400	461,250
Philippines Treasury Notes PH0000058133	81,000,000	81,380,700	81,380,700	2,193,750
Philippines Treasury Notes PH0000058133	80,540,000	80,918,538	80,918,538	2,181,292
Philippines Treasury Notes PH0000058133	29,370,000	29,508,039	29,508,039	795,438
Philippines Treasury Notes PIBD0726B627	7,000,000	7,019,110	7,019,110	166,493
Philippines Treasury Notes PIBD2037E214	52,966,000	49,446,939	49,446,939	332,141
Philippines Treasury Notes PIBD2037E214	100,000,000	93,356,000	93,356,000	627,083
Philippines Treasury Notes PIBD2537H103	80,000,000	77,604,800	77,604,800	1,725,000
Philippines Treasury Notes PIBD2537H103	162,920,000	158,042,175	158,042,175	3,512,963
BSP 2027 US059891AA97	2,876,000	3,103,981	3,103,981	10,993
Philippines Treasury Notes PIBD2039A232	3,000,000	3,107,760	3,107,760	88,313
Philippines Treasury Notes PIBD2039A232	35,800,000	37,085,936	37,085,936	1,053,863
Philippines Treasury Notes PIBD2039A232	3,850,000	3,988,292	3,988,292	113,334
Philippines Treasury Notes PIBD2039A232	7,000,000	7,251,440	7,251,440	206,063
Philippines Treasury Notes PIBD2039A232	20,000,000	20,718,400	20,718,400	588,750
Philippines Treasury Notes PIBD2039A232	60,000,000	62,155,200	62,155,200	1,766,250
Philippines Treasury Notes PIBD2039A232	108,000,000	111,879,360	111,879,360	3,179,250
Philippines Treasury Notes PIBD2039A232	50,000,000	51,796,000	51,796,000	1,471,875
Philippines Treasury Notes PIBD2039A232	26,785,714	27,747,857	27,747,857	788,504
Philippines Treasury Notes PIBD2039A232	5,357,143	5,549,571	5,549,571	157,701
Philippines Treasury Notes PIBD2039A232	5,357,143	5,549,571	5,549,571	157,701
Philippines Treasury Notes PIBD2531A032	55,000,000	66,717,750	66,717,750	2,664,063
Philippines Treasury Notes PIBD0725D618	350,000,000	349,678,000	349,678,000	4,416,319
Philippines Treasury Notes PIBD0725D618	100,000,000	99,908,000	99,908,000	1,261,806
ROP Dollar Bonds 2037 US718286BW60	3,500,000	3,368,855	3,368,855	81,667
ROP Dollar Bonds 2037 US718286BW60	2,500,000	2,406,325	2,406,325	58,333
ROP Dollar Bonds 2037 US718286BW60	7,000,000	6,737,710	6,737,710	163,333
ROP Dollar Bonds 2037 US718286BW60	2,000,000	1,925,060	1,925,060	46,667
Philippines Treasury Notes PIBD2531A032	10,000,000	12,130,500	12,130,500	484,375
Philippines Treasury Notes PIBD2531A032	60,000,000	72,783,000	72,783,000	2,906,250
Philippines Treasury Notes PIBD2537H103	47,500,000	46,077,850	46,077,850	1,024,219
Philippines Treasury Notes PIBD0729E673	79,500,000	80,446,050	80,446,050	602,875
Philippines Treasury Notes PIBD0729E673	29,600,000	29,952,240	29,952,240	224,467
Philippines Treasury Notes PIBD0729E673	49,500,000	50,089,050	50,089,050	375,375
Philippines Treasury Notes PIBD0729E673	69,300,000	70,124,670	70,124,670	525,525
Philippines Treasury Notes PIBD0729E673	59,300,000	60,005,670	60,005,670	449,692
Philippines Treasury Notes PH0000057200	10,000,000	10,668,900	10,668,900	326,667
Philippines Treasury Notes PH0000057200	5,000,000	5,334,450	5,334,450	163,333
Philippines Treasury Notes PH0000057200	3,500,000	3,734,115	3,734,115	114,333
Philippines Treasury Notes PH0000057200	500,000	533,445	533,445	16,333
Philippines Treasury Notes PH0000057200	4,500,000	4,801,005	4,801,005	147,000
Philippines Treasury Notes PH0000057200	30,000,000	32,006,700	32,006,700	980,000
Philippines Treasury Notes PH0000057200	29,000,000	30,939,810	30,939,810	947,333
Philippines Treasury Notes PH0000057200	19,000,000	20,270,910	20,270,910	620,667
Philippines Treasury Notes PH0000057200	5,500,000	5,867,895	5,867,895	179,667
Philippines Treasury Notes PH0000057200	25,000,000	26,672,250	26,672,250	816,667
Philippines Treasury Notes PIBD2540I116	50,000,000	43,486,500	43,486,500	719,444
Philippines Treasury Notes PIBD2540I116	40,000,000	34,789,200	34,789,200	575,556
Philippines Treasury Notes PIBD2540I116	11,000,000	9,567,030	9,567,030	158,278
Philippines Treasury Notes PIBD2540I116	117,000,000	101,758,410	101,758,410	1,683,500
Philippines Treasury Notes PIBD2540I116	82,000,000	71,317,860	71,317,860	1,179,889
Philippines Treasury Notes PIBD2540I116	183,000,000	159,160,590	159,160,590	2,633,167
Philippines Treasury Notes PIBD2540I116	100,000,000	86,973,000	86,973,000	1,438,889
Philippines Treasury Notes PIBD2540I116	57,664,150	50,152,241	50,152,241	829,723
Philippines Treasury Notes PIBD2540I116	22,413,160	19,493,398	19,493,398	322,500
Philippines Treasury Notes PIBD2540I116	333,754,922	290,276,668	290,276,668	4,802,362
Philippines Treasury Notes PIBD2540I116	31,250,000	27,179,063	27,179,063	449,653
Philippines Treasury Notes PIBD2540I116	31,250,000	27,179,063	27,179,063	449,653
Philippines Treasury Notes PIBD2540I116	150,000,000	130,459,500	130,459,500	2,158,333
Philippines Treasury Notes PIBD2540I116	100,000,000	86,973,000	86,973,000	1,438,889
Philippines Treasury Notes PIBD2540I116	9,008,887	7,835,299	7,835,299	129,628
Philippines Treasury Notes PIBD2540I116	81,423,158	70,816,163	70,816,163	1,171,589
Philippines Treasury Notes PIBD2540I116	80,000,000	69,578,400	69,578,400	1,151,111
Philippines Treasury Notes PIBD1029A644	48,500,000	49,664,000	49,664,000	1,583,828
Philippines Treasury Notes PIBD1029A644	7,580,000	7,761,920	7,761,920	247,534
Philippines Treasury Notes PIBD1032I695	185,000,000	190,174,450	190,174,450	3,676,875
Philippines Treasury Notes PH0000057374	10,000,000	10,246,500	10,246,500	246,597
Philippines Treasury Notes PH0000057374	40,000,000	40,986,000	40,986,000	986,389
Retail Treasury Bonds PIID0525H130	50,000,000	49,165,500	49,165,500	178,646
Retail Treasury Bonds PIID0525H130	74,146,341	72,908,839	72,908,839	264,919
Retail Treasury Bonds PIID0525H130	74,146,341	72,908,839	72,908,839	264,919
Retail Treasury Bonds PIID0525H130	79,707,317	78,377,002	78,377,002	284,788
SM Prime Holdings Inc. YX8602949	8,000,000	8,336,320	8,336,320	10,834
SM Prime Holdings Inc. YX8602949	24,300,000	25,321,572	25,321,572	32,910

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
Philippines Treasury Notes PIBD2535L086	7,500,000	8,476,650	8,476,650	25,391
Philippines Treasury Notes PIBD2535L086	14,500,000	16,388,190	16,388,190	49,089
Philippines Treasury Notes PIBD2535L086	963,000,000	1,088,401,860	1,088,401,860	3,260,156
Philippines Treasury Notes PIBD2540I116	75,000,000	65,229,750	65,229,750	1,079,167
Philippines Treasury Notes PIBD2531A032	5,000,000	6,065,250	6,065,250	242,188
Robinsons Land Corporation EK7467278	160,000,000	159,736,640	159,736,640	2,807,125
Philippines Treasury Notes PIBD1336D016	5,000,000	5,029,150	5,029,150	61,632
Philippines Treasury Notes PIBD1336D016	20,000,000	20,116,600	20,116,600	246,528
SMC Global Power Holdings BY0062319	10,000,000	10,015,840	10,015,840	144,964
SMC Global Power Holdings BY0062319	34,000,000	34,053,856	34,053,856	492,879
Philippines Treasury Notes PIBD1031G662	70,540,000	64,220,321	64,220,321	1,246,207
Philippines Treasury Notes PIBD1031G662	94,000,000	85,578,540	85,578,540	1,660,667
Philippines Treasury Notes PIBD2042K253	158,700,000	187,473,897	187,473,897	1,325,255
Philippines Treasury Notes PIBD2042K253	18,000,000	21,263,580	21,263,580	150,313
Philippines Treasury Notes PIBD2042K253	42,000,000	49,615,020	49,615,020	350,729
Philippines Treasury Notes PIBD2042K253	7,000,000	8,269,170	8,269,170	58,455
Philippines Treasury Notes PIBD2042K253	17,000,000	20,082,270	20,082,270	141,962
Philippines Treasury Notes PIBD2042K253	6,100,000	7,205,991	7,205,991	50,939
Philippines Treasury Notes PIBD2042K253	5,900,000	6,969,729	6,969,729	49,269
Philippines Treasury Notes PIBD2042K253	104,000,000	122,856,240	122,856,240	868,472
Philippines Treasury Notes PIBD2042K253	50,000,000	59,065,500	59,065,500	417,535
Philippines Treasury Notes PIBD2042K253	125,000,000	147,663,750	147,663,750	1,043,837
Philippines Treasury Notes PIBD2042K253	30,000,000	35,439,300	35,439,300	250,521
Philippines Treasury Notes PIBD2042K253	42,300,000	49,969,413	49,969,413	353,234
Philippines Treasury Notes PIBD2042K253	36,460,000	43,070,563	43,070,563	304,466
Philippines Treasury Notes PIBD0325D270	120,000,000	119,488,800	119,488,800	1,190,000
Philippines Treasury Notes PIBD0325D270	20,000,000	19,914,800	19,914,800	198,333
Philippines Treasury Notes PH0000058240	10,000,000	10,152,800	10,152,800	213,542
Philippines Treasury Notes PH0000058240	75,000,000	76,146,000	76,146,000	1,601,563
Philippines Treasury Notes PH0000058240	75,000,000	76,146,000	76,146,000	1,601,563
Philippines Treasury Notes PIBD2535I071	398,051,000	446,812,248	446,812,248	8,049,476
Philippines Treasury Notes PIBD2535I071	65,000,000	72,962,500	72,962,500	1,314,444
Global Peso Note US718286BM88	25,000,000	24,647,250	24,647,250	724,826
Global Peso Note US718286BM88	20,000,000	19,717,800	19,717,800	579,861
Global Peso Note US718286BM88	20,000,000	19,717,800	19,717,800	579,861
Global Peso Note US718286BM88	55,000,000	54,223,950	54,223,950	1,594,618
Global Peso Note US718286BM88	10,000,000	9,858,900	9,858,900	289,931
Global Peso Note US718286BM88	7,000,000	6,901,230	6,901,230	202,951
Global Peso Note US718286BM88	5,000,000	4,929,450	4,929,450	144,965
Global Peso Note US718286BM88	5,000,000	4,929,450	4,929,450	144,965
Global Peso Note US718286BM88	12,000,000	11,830,680	11,830,680	347,917
Global Peso Note US718286BM88	6,000,000	5,915,340	5,915,340	173,958
Global Peso Note US718286BM88	12,000,000	11,830,680	11,830,680	347,917
Global Peso Note US718286BM88	25,000,000	24,647,250	24,647,250	724,826
Global Peso Note US718286BM88	10,000,000	9,858,900	9,858,900	289,931
Global Peso Note US718286BM88	10,000,000	9,858,900	9,858,900	289,931
Global Peso Note US718286BM88	20,000,000	19,717,800	19,717,800	579,861
Global Peso Note US718286BM88	15,000,000	14,788,350	14,788,350	434,896
Global Peso Note US718286BM88	33,000,000	32,534,370	32,534,370	956,771
Global Peso Note US718286BM88	68,000,000	67,040,520	67,040,520	1,971,528
Global Peso Note US718286BM88	275,000,000	271,119,750	271,119,750	7,973,090
Global Peso Note US718286BM88	431,000,000	424,918,590	424,918,590	12,496,007
Global Peso Note US718286BM88	16,000,000	15,774,240	15,774,240	463,889
Global Peso Note US718286BM88	64,000,000	63,096,960	63,096,960	1,855,556
Global Peso Note US718286BM88	32,000,000	31,548,480	31,548,480	927,778
Global Peso Note US718286BM88	29,000,000	28,590,810	28,590,810	840,799
Global Peso Note US718286BM88	20,000,000	19,717,800	19,717,800	579,861
Global Peso Note US718286BM88	9,000,000	8,873,010	8,873,010	260,938
Global Peso Note US718286BM88	20,000,000	19,717,800	19,717,800	579,861
Global Peso Note US718286BM88	5,000,000	4,929,450	4,929,450	144,965
Global Peso Note US718286BM88	12,000,000	11,830,680	11,830,680	347,917
Global Peso Note US718286BM88	26,000,000	25,633,140	25,633,140	753,819
Philippines Treasury Notes PH0000058786	2,000,000	2,112,900	2,112,900	14,514
Philippines Treasury Notes PH0000058786	3,000,000	3,169,350	3,169,350	21,771
Philippines Treasury Notes PH0000058786	2,000,000	2,112,900	2,112,900	14,514
Philippines Treasury Notes PH0000058786	100,000,000	105,645,000	105,645,000	725,694
Philippines Treasury Notes PH0000058786	80,000,000	84,516,000	84,516,000	580,556
Philippines Treasury Notes PH0000058786	56,000,000	59,161,200	59,161,200	406,389
Philippines Treasury Notes PIBD2536I097	97,650,890	107,756,780	107,756,780	1,902,836
Philippines Treasury Notes PIBD2536I097	467,430,423	515,804,798	515,804,798	9,108,401
Philippines Treasury Notes PIBD2536I097	828,024,949	913,717,251	913,717,251	16,134,986
Philippines Treasury Notes PIBD2536I097	42,068,738	46,422,432	46,422,432	819,756
SMC Tollways Corp PH0000059743	35,000,000	34,894,510	34,894,510	175,253
SMC Tollways Corp PH0000059743	102,000,000	101,692,572	101,692,572	510,738
Vista Land and Lifescapes Inc. ZG5080541	15,000,000	15,384,450	15,384,450	80,090
Vista Land and Lifescapes Inc. ZG5080541	60,000,000	61,537,800	61,537,800	320,358
Energy Development Corporation YX3059954	3,000,000	3,024,627	3,024,627	20,011
Energy Development Corporation YX3059954	10,000,000	10,082,090	10,082,090	66,702
ROP Dollar Bonds 2040 US718286BZ91	3,000,000	2,492,430	2,492,430	52,996
ROP Dollar Bonds 2040 US718286BZ91	2,000,000	1,661,620	1,661,620	35,331
ROP Dollar Bonds 2040 US718286BZ91	1,500,000	1,246,215	1,246,215	26,498
ROP Dollar Bonds 2040 US718286BZ91	1,500,000	1,246,215	1,246,215	26,498
ROP Dollar Bonds 2040 US718286BZ91	2,000,000	1,661,620	1,661,620	35,331
Philippines Treasury Notes PIBD2031G171	227,000,000	245,280,310	245,280,310	8,172,000
Philippines Treasury Notes PIBD2031G171	137,000,000	148,032,610	148,032,610	4,932,000
Philippines Treasury Notes PIBD2031G171	135,000,000	145,871,550	145,871,550	4,860,000
Philippines Treasury Notes PIBD2031G171	1,900,000,000	2,053,007,000	2,053,007,000	68,400,000
Philippines Treasury Notes PIBD2031G171	4,500,000	4,862,385	4,862,385	162,000
Philippines Treasury Notes PIBD2031G171	60,000,000	64,831,800	64,831,800	2,160,000
Retail Treasury Bonds PIID2537J015	35,000,000	34,872,600	34,872,600	398,976
Retail Treasury Bonds PIID2537J015	62,000,000	61,774,320	61,774,320	706,757

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
Retail Treasury Bonds PIID2537J015	25,000,000	24,909,000	24,909,000	284,983
Retail Treasury Bonds PIID2537J015	150,000,000	149,454,000	149,454,000	1,709,896
ROP Dollar Bonds 2034 US718286BG11	1,900,000	2,043,013	2,043,013	22,879
ROP Dollar Bonds 2034 US718286BG11	1,100,000	1,182,797	1,182,797	13,246
ROP Dollar Bonds 2034 US718286BG11	1,050,000	1,129,034	1,129,034	12,644
Philippines Treasury Notes PIBD2038B224	63,000,000	65,142,000	65,142,000	1,467,375
Philippines Treasury Notes PIBD0729J687	40,100,000	41,215,582	41,215,582	608,183
Philippines Treasury Notes PIBD0729J687	4,900,000	5,036,318	5,036,318	74,317
Philippines Treasury Notes PIBD0729J687	84,100,000	86,439,662	86,439,662	1,275,517
Philippines Treasury Notes PIBD1025I608	12,000,000	11,836,680	11,836,680	135,333
Philippines Treasury Notes PH0000058125	35,000,000	34,980,050	34,980,050	970,642
Philippines Treasury Notes PH0000058125	250,000,000	249,857,500	249,857,500	6,933,160
Philippines Treasury Notes PH0000058125	50,000,000	49,971,500	49,971,500	1,386,632
Subtotal		25,550,142,935	25,550,142,935	591,713,997
Financial assets at amortized cost				
ROPs	various	401,264,945	401,264,945	15,021,424
AYALA 5.125%	28,922,500	28,922,500	28,922,500	1,444,904
RCBC 5.5% 2029	52,465,415	52,632,540	52,632,540	2,730,797
RTBs	various	196,036,429	196,036,429	10,213,659
FXTNs	various	3,520,255,503	3,520,255,503	162,270,276
Investment in Bonds/PN	107,500,000	97,500,000	97,500,000	-
Investment in bonds - HTM	2,320,000	87,240,190	87,240,190	-
Allowance for impairment		(2,449,491)	(2,449,491)	-
Unamortized Discount - HTM		(2,100,478)	(2,100,478)	-
Subtotal		4,379,302,139	4,379,302,139	191,681,059
Total		34,803,754,948	34,803,754,948	935,354,921

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

As at December 31, 2024, 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, 2024:

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Balance at end of year
<i>Landev Corporation</i>					
Due from affiliates	₱1,718,655	₱10,788,989	(₱11,037,941)	₱-	₱1,469,703
Dividends receivable	47,999,940	72,000,000	(87,999,940)	-	32,000,000
	49,718,595	82,788,989	(99,037,881)	-	33,469,703
<i>Greyhounds Security and Investigation Agency Corporation</i>					
Due from affiliates	2,700,983	825,650	(2,704,508)	-	822,125
Dividends receivable	-	3,969,000	(3,969,000)	-	-
	2,700,983	4,794,650	(6,673,508)	-	822,125
<i>Investment Managers, Inc.</i>					
Due from affiliates	5,066,213	2,097,137	(7,002,207)	-	161,143
Dividends receivable	-	6,000,000	-	-	6,000,000
	5,066,213	8,097,137	(7,002,207)	-	6,161,142
<i>iPeople, inc. and subsidiaries</i>					
Due from affiliates	8,216,934	111,763,586	(114,398,211)	-	5,582,309
Dividends receivable	-	95,588,762	(95,588,762)	-	-
	8,216,934	207,352,348	(209,986,973)	-	5,582,309
<i>La Funeraria Paz Sucat, Inc</i>					
Due from affiliates	482,466	3,653,991	(3,106,461)	-	1,029,996
Dividends receivable	-	13,850,000	(13,850,000)	-	-
	482,466	17,503,991	(16,956,461)	-	1,029,996
<i>MICO Equities, Inc. and subsidiaries</i>					
Due from affiliates	800,000	2,400,000	(1,600,000)	-	1,600,000
<i>RCBC Trust Corporation</i>					
Due from affiliates	-	3,830,400	-	-	3,830,400
<i>Hexagon Lounge, Inc.</i>					
Due from affiliates	₱100	₱-	(₱100)	₱-	₱-
<i>San Lorenzo Ruiz Investment Holdings and Services, Inc.</i>					
Due from affiliates	3,848	9,307,132	(6,297,901)	-	3,013,079
<i>Secon Professional</i>					
Due from affiliates	40,741	-	(40,741)	-	-
<i>ATYC, Inc.</i>					
Due from affiliates	289,885	13,154,443	(10,128,445)	-	3,315,883

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Balance at end of year
Dividend receivables	–	70,000,000	(70,000,000)	–	–
	289,885	83,154,443	(80,128,445)	–	3,315,883
<i>HI Cars, Inc. (formerly Honda Cars Kalookan Inc.)</i>					
Due from affiliates	103,560,253	172,906,303	(276,466,556)	–	–
	₱170,880,018	₱592,135,393	(₱704,190,773)	₱–	₱58,824,638

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, 2024, 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	₱183,970,413	₱–	(₱7,794,149)	₱–	₱–	₱176,176,264
Intellectual property rights	458,110,748	–	(10,434,748)	–	–	447,676,000
Student relationship	6,032,200	–	(3,061,152)	–	–	2,971,048
Computer software	26,289,885	50,875,144	(34,723,168)	–	(1,312,723)	41,129,138
	₱674,403,246	₱50,875,144	(₱56,013,217)	₱–	(₱1,312,723)	₱667,952,450

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	2,421,451,250	–	2,421,451,250
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	293,851,400	32,573,600	261,277,800
	2,715,302,650	32,573,600	2,682,729,050

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)

As at December 31, 2024, the Group has Peso-denominated promissory note with a related party amounting to ₱2.4 billion that is payable on or before September 30, 2025 together with annual interest of 6.04% due every anniversary of the note starting September 30, 2023 until the note is fully paid.

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, 2024

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	₱1,145,493,373
--	-----------------------

Add: Category A: Items that are directly credited to

Unappropriated Retained Earnings

Reversal of Retained Earnings Appropriation/s	3,500,000,000
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
	3,500,000,000

Less: Category B: Items that are directly debited to

Unappropriated Retained Earnings

Dividend declaration during the reporting period	73,465,112
Retained earnings appropriated during the period	—
Effect of restatements or prior-period adjustments	—
Others (describe nature)	—
	73,465,112

Unappropriated Retained Earnings, as adjusted	4,937,450,093
--	----------------------

Add/Less: Net Income (Loss) for the current year	414,707,781
---	--------------------

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	414,707,781

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	—
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	84,082,748
Adjustment due to deviation from PFRS/GAAP	—
Others (describe nature)	—
Sub-total	84,082,748

Total Retained Earnings, end of the reporting period available for dividend

₱5,436,240,622

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS OF
DECEMBER 31, 2024 AND 2023**

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2024 and 2023:

Financial ratios		2024	2023
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	0.92:1	0.96:1
Solvency ratio	$\frac{\text{Net income plus depreciation}}{\text{Total liabilities}}$	0.03:1	0.10:1
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	2.17:1	2.19:1
Asset-to-equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	3.17:1	3.19:1
Interest rate coverage	$\frac{\text{EBIT*}}{\text{Interest expense}}$	6.21:1	3.24:1
Return on assets	$\frac{\text{Net income}}{\text{Average total assets}}$	1.64%	0.55%
Return on equity	$\frac{\text{Net income}}{\text{Average total equity}}$	5.20%	1.43%

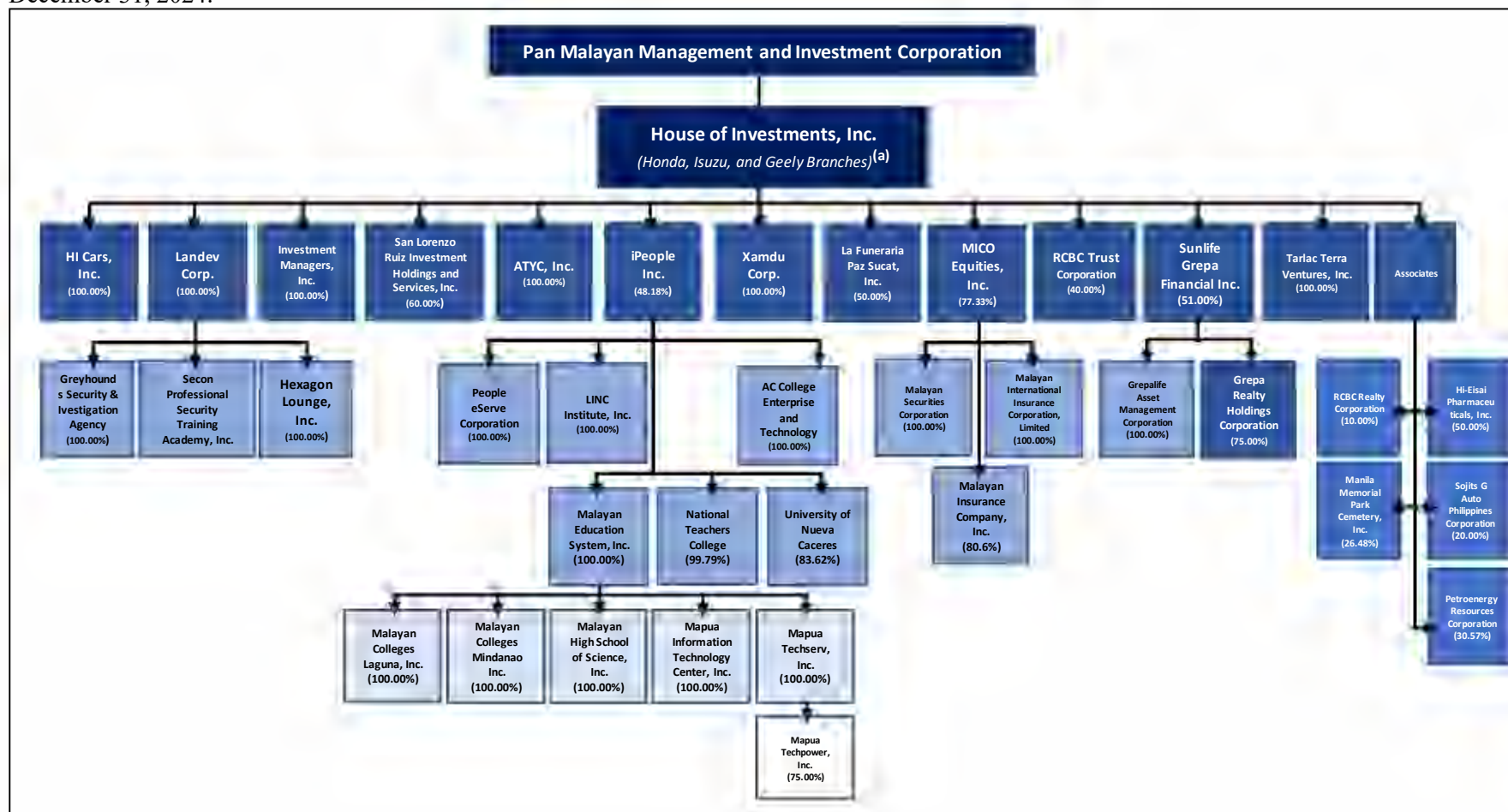
**Earnings before interest and taxes (EBIT)*

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2024:



(a) Effective July 1, 2024, those dealerships had been consolidated to HI Cars, Inc.

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

CONSOLIDATED FINANCIAL STATEMENTS

Statement of Management's Responsibility for Consolidated Financial Statements

Report of Independent Auditor's Report

Consolidated Statements of Financial Position as at December 31, 2024 and 2023

Consolidated Statements of Income for the years ended
December 31, 2024, 2023 and 2022

Consolidated Statements of Comprehensive Income for the years ended
December 31, 2024, 2023 and 2022

Consolidated Statements of Changes in Equity for the years ended
December 31, 2024, 2023 and 2022

Consolidated Statements of Cash Flows for the years ended
December 31, 2024, 2023 and 2022

Notes to Consolidated Financial Statements

SUPPLEMENTARY SCHEDULES

Report of Independent Auditor's on Supplementary Schedules

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

House of Investments, Inc and Subsidiaries
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
December 31, 2024

Supplementary Schedule of External Auditor Fee-Related Information

	2024	2023
Total Audit Fees (Section 2.1a)¹	₱1,200,000	*₱7,263,820
Non-audit services fees:		
Other assurance services	—	—
Tax services	—	375,000
All other services	—	—
Total Non-audit Fees (Section 2.1b)²	1,200,000	375,000
Total Audit and Non-audit Fees	1,200,000	7,638,820
Audit and Non-audit fees of other related entities (Section 2.1c)³	2024	2023
Audit Fees	16,739,041	14,571,395
Non-audit services fees:		
Other assurance services	—	—
Tax services	1,690,000	2,750,000
All other services	—	—
Total Audit and Non-audit fees of other related entities	₱18,429,041	₱17,871,395

**Includes one time fee for deconsolidation and acquisition of new subsidiaries*

**HOUSE OF INVESTMENTS, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
OF MARCH 31, 2025 AND DECEMBER 31, 2025 AND
THREE MONTHS ENDED MARCH 31, 2025, 2024, AND 2023**

COVER SHEET

SEC Registration Number

1	5	3	9	3															
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COMPANY NAME

H	O	U	S	E		O	F		I	N	V	E	S	T	M	E	N	T	S	,		I	N	C	.		A	N	D
	S	U	B	S	I	D	I	A	R	I	E	S																	

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

9	t	h		F	l	o	o	r	,		G	r	e	p	a	l	i	f	e		B	u	i	l	d	i	n	g	,
	2	2	1		S	e	n	.		G	i	l		J	.		P	u	y	a	t		A	v	e	n	u	e	,
	M	a	k	a	t	i		C	i	t	y	,		M	e	t	r	o		M	a	n	i	l	a				

Form Type

1	7	-	Q
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

compliance@hoi.com.ph

Company's Telephone Number

8815-9636 to 38

Mobile Number

N/A

No. of Stockholders

367

Annual Meeting (Month / Day)

August 8

Fiscal Year (Month / Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Maria Teresa T. Bautista

Email Address

mtbautista@hoi.com.ph

Telephone Number/s

8815-9636

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

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

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17 – Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION
CODE
AND SRC RULE 17(2)-(B) THEREUNDER**

1. For the quarterly period ended March 31, 2025
2. SEC Identification Number 15393
3. BIR Tax Identification No. 000-463-069-000
4. Exact name of registrant as specified in its charter: HOUSE OF INVESTMENTS, INC.
5. Makati City, Philippines
Province, Country or other jurisdiction
of incorporation or organization
6. / / (SEC Use Only)
Industry Classification Code:
7. 9th Floor, Grepalife Building, 221 Sen. Gil J. Puyat Avenue, Makati City
Address of principal office
- 1200
Postal Code
- +63 (2) 8940320; +63 (2) 8134537
Issuer's telephone number, including area code
9. Not Applicable
Former name, or former address, if changed.

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

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock, P1.50 par value	1,469,302,230 shares of common stock
Preferred Stock, P0.40 par value	0 shares of preferred stock

Amount of debt as of March 31, 2025 No debt registered pursuant to Section 4 and 8 of the RSA

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

Yes (X) No ()
The common stock is listed in the Philippine Stock Exchange

12. Check whether the registrant:

(a) has filled all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes (X) No ()

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

Yes (X) No ()

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The interim consolidated financial statements of House of Investments, Inc. and Subsidiaries as of March 31, 2025 with comparative figures for the periods ended December 31, 2024 and March 31, 2024 and Schedule of Aging of Accounts Receivable are incorporated by reference as **Exhibit 1**.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(i) Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

Are there any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.	None
Does the registrant currently have, or anticipates having within the next twelve (12) months, any cash flow or liquidity problems?	No
Is the registrant in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments?	No
Has there been a significant amount of the registrant's trade payables have not been paid within the stated trade terms?	None
Describe internal and external sources of liquidity, and briefly discuss any sources of liquid assets used.	The Group depends on both internal and external sources of funds.

(ii) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

None.

(iii) Any 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.

None.

(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described;

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.

Except for SLR's development project, there are no other material commitment on capital expenditures other than those performed in ordinary course of business.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described. If the registrant knows of events that will cause material change in the relationship between costs and revenues (such as known future increases in cost of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.

None.

(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations;

None.

(vii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item; The term "material" in this section shall refer to changes or items amounting to five percent (5%) of the relevant accounts or such lower amount, which the registrant deems material on the basis of other factors.

Results of Operations

	Period Ended March 31				
	2025	2024	2023	% Change	% to Revenues
REVENUES	9,017,016,855	11,304,407,481	2,878,908,886	(20.2)%	100.0%
COSTS OF SALES AND SERVICES	6,575,384,785	9,000,287,346	2,036,781,305	(26.9)%	72.9%
GROSS PROFIT	2,441,632,070	2,304,120,135	842,127,581	6.0%	27.1%
GENERAL AND ADMINISTRATIVE EXPENSE	(1,200,897,373)	(1,150,898,983)	(416,563,972)	4.3%	(13.3)%
OTHER INCOME	88,702,065	(187,119,753)	50,148,935	(147.4)%	1.0%
EQUITY IN NET EARNINGS OF ASSOCIATES	147,716,008	(19,805,754)	113,170,372	(845.8)%	1.6%
INTEREST AND FINANCE CHARGES	(146,591,686)	(117,752,037)	(151,199,725)	24.5%	(1.6)%
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,330,561,084	828,543,608	437,683,191	60.6%	14.8%
PROVISION FOR INCOME TAX	(242,269,958)	(151,982,667)	(21,473,630)	59.4%	(2.7)%
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	1,088,291,126	676,560,941	416,209,561	60.9%	12.1%
<i>Deconsolidated Operations</i>					
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	-	-	(482,157,045)	0.0%	0.0%
NET INCOME (LOSS)	1,088,291,126	676,560,941	(65,947,484)	60.9%	12.1%

The Group closed the period with a net income of P1.09 billion, a significant increase from the P0.68 billion reported in the same period last year, primarily driven by strong performance from the financial services and education sectors.

The decline in consolidated revenues and cost of services was largely due to lower investment income and higher claims and losses, respectively, from the financial services sector.

The increase in general and administrative expenses was mainly attributable to higher (1) personnel-related costs; (2); depreciation expenses and (3); provision for probable losses on receivables.

In contrast, last year's other income included a remeasurement loss related to the reclassification of an investment to a financial asset at FVOCI.

Equity in net earnings rose significantly, reflecting income recognized this year compared to losses incurred by an affiliate in the automotive sector last year.

Interest and finance charges increased due to interest expenses incurred by the property sector in financing its property acquisitions.

Finally, the rise in the provision for income tax was largely driven by the higher income contribution from the financial services sector.

Financial Position

	Mar-2025	Dec-2024	Change (P)	% Change	% to Assets
ASSETS					
Current Assets					
Cash and cash equivalents	5,559,408,757	8,293,005,389	(2,733,596,632)	-33.0%	3.3%
Receivables	11,100,668,671	11,262,666,490	(161,997,819)	-1.4%	6.7%
Segregated fund assets	43,356,699,646	42,142,462,815	1,214,236,831	2.9%	26.1%
Reinsurance Assets	17,262,813,302	18,355,961,194	(1,093,147,892)	-6.0%	10.4%
Inventories	446,871,964	398,314,089	48,557,875	12.2%	0.3%
Loans receivable	1,971,161,466	2,059,584,359	(88,422,893)	-4.3%	1.2%
Receivable from related parties	2,883,668	4,534,187	(1,650,519)	-36.4%	0.0%
Prepaid expenses and other current assets	2,513,362,677	2,164,480,345	348,882,332	16.1%	1.5%
Total Current Assets	82,213,870,151	84,681,008,868	(2,467,138,717)	-2.9%	49.5%
Non-Current Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	25,678,147,069	25,550,142,935	128,004,134	0.5%	15.5%
Financial assets at fair value through profit or loss (FVTPL)	8,268,325,297	7,903,390,740	364,934,557	4.6%	5.0%
Investment securities at amortized cost	4,369,172,628	4,379,302,139	(10,129,511)	-0.2%	2.6%
Investments in associates and joint ventures	5,061,660,846	4,874,309,874	187,350,972	3.8%	3.0%
Property and Equipment					
At revalued amount	15,015,152,509	15,015,152,509	-	0.0%	9.0%
At cost	9,350,107,257	9,037,246,462	312,860,795	3.5%	5.6%
Investment properties	12,373,209,851	12,395,384,044	(22,174,193)	-0.2%	7.4%
Deferred tax assets - net	983,417,297	980,138,114	3,279,183	0.3%	0.6%
Right of use assets	578,435,397	610,840,289	(32,404,892)	-5.3%	0.3%
Goodwill	176,176,264	176,176,264	-	0.0%	0.1%
Retirement Asset	147,337,007	147,337,007	-	0.0%	0.1%
Deferred acquisition costs	537,762,701	527,720,153	10,042,548	1.9%	0.3%
Other noncurrent assets - net	1,350,759,531	1,318,409,007	32,350,524	2.5%	0.8%
Total Noncurrent Assets	83,889,663,654	82,915,549,537	974,114,117	1%	50.5%
	166,103,533,805	167,596,558,405	(1,493,024,600)	-0.9%	100.0%

The Group's total consolidated assets stood at P166.10 billion as of the period.

Total current assets declined from P84.68 billion to P82.21 billion. The decrease in cash and cash equivalents was mainly due to payments of claims and reinsurance premiums. Receivables primarily consist of loans and unpaid premiums of the financial services sector. Segregated fund assets increased, reflecting the surrender value of unit-linked policies under the financial services sector. The decrease in reinsurance assets was due to collections from reinsurance companies. Inventories rose due to higher unit pull-outs. Receivables from related parties declined as a result of collections during the period. Meanwhile, prepaid expenses and other current assets increased, primarily due to the receipt of additional tax certificates.

Total noncurrent assets increased from P82.92 billion to P83.89 billion. The increase in FVOCI and FVTPL financial assets was mainly due to additional acquisitions of debt securities by the financial services sector, along with fair value gains. The decline in investment securities at amortized cost was attributed to disposals made by the financial services segment. Investments in associates and joint ventures rose, reflecting the equity earnings from an affiliate in the automotive sector. Right-of-use assets decreased due to amortization over the period. Deferred acquisition costs represent commissions and other expenses related to the issuance and renewal of insurance contracts by the Group's non-life insurance company.

	Mar-2025	Dec-2024	Change (P)	% Change	% to Assets
LIABILITIES and EQUITY					
Current Liabilities					
Accounts payable and other current liabilities	8,520,016,520	9,883,117,824	(1,363,101,304)	-13.8%	5.1%
Loans payable	5,904,313,000	5,635,000,000	269,313,000	4.8%	3.6%
Segregated fund liabilities	43,356,699,646	42,142,462,815	1,214,236,831	2.9%	26.1%
Current portion of long term debt	24,430,200	32,573,600	(8,143,400)	-25.0%	0.0%
Current portion of contract liabilities	606,450,933	1,464,893,638	(858,442,705)	-58.6%	0.4%
Current portion of insurance contract liabilities	29,504,062,065	31,956,515,864	(2,452,453,799)	-7.7%	17.8%
Current portion of lease liability	207,931,786	167,708,899	40,222,887	24.0%	0.1%
Income tax payable	298,776,691	139,014,263	159,762,428	114.9%	0.2%
Due to related parties	162,219,100	148,011,591	14,207,509	9.6%	0.1%
Total Current Liabilities	88,584,899,941	91,569,298,494	(2,984,398,553)	-3.3%	53.3%
Noncurrent Liabilities					
Long-term debt - noncurrent portion	2,684,245,300	2,682,729,050	1,516,250	0.1%	1.6%
Contract liabilities - noncurrent portion	121,213,116	112,250,951	8,962,165	8.0%	0.1%
Insurance contract liabilities - noncurrent portion	15,662,094,361	15,747,336,991	(85,242,630)	-0.5%	9.4%
Lease Liability - noncurrent	489,145,641	562,687,392	(73,541,751)	-13.1%	0.3%
Deferred tax liabilities	2,052,282,653	2,054,583,692	(2,301,039)	-0.1%	1.2%
Retirement liabilities	859,726,094	847,990,521	11,735,573	1.4%	0.5%
Deferred reinsurance commissions	216,081,484	245,799,378	(29,717,894)	-12.1%	0.1%
Other noncurrent liabilities	993,086,221	899,972,615	93,113,606	10.3%	0.6%
Total Noncurrent Liabilities	23,077,874,870	23,153,350,590	(75,475,720)	-0.3%	13.9%
Total Liabilities	111,662,774,812	114,722,649,084	(3,059,874,273)	-2.7%	67.2%
Equity					
Attributable to equity holders of the Parent Company					
Capital stock					
Preferred stock	-	-	-	N/A	0.0%
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%	8.9%
Deposit for future subscription	-	-	-	N/A	0.0%
Equity reserve on acquisition of noncontrolling interest	(806,224,306)	(806,224,306)	-	0.0%	-0.5%
Revaluation increment on land	3,779,148,385	3,779,148,385	-	0.0%	2.3%
Cumulative translation adjustment	43,890,084	47,177,851	(3,287,767)	-7.0%	0.0%
Changes in fair value of equity investments carried at FVOCI	(15,079,661)	(352,644,065)	337,564,404	-95.7%	0.0%
Remeasurement losses on net retirement liability	(60,355,859)	(59,802,377)	(553,482)	0.9%	0.0%
Remeasurement on legal policy reserves	5,397,818	(13,652,322)	19,050,140	-139.5%	0.0%
Retained Earnings					
Unappropriated	12,460,049,609	11,813,200,762	646,848,847	5.5%	7.5%
Appropriated	1,700,000,000	1,700,000,000	-	0.0%	1.0%
	34,116,863,422	33,117,241,280	999,622,142	3.0%	20.5%
Noncontrolling interest	20,323,895,573	19,756,668,041	567,227,532	2.9%	12.2%
Total Equity	54,440,758,995	52,873,909,321	1,566,849,674	3.0%	32.8%
	166,103,533,807	167,596,558,405	(1,493,024,599)	-0.9%	100.0%

Total liabilities decreased from P114.72 billion to P111.66 billion.

Total current liabilities declined from P91.57 billion to P88.58 billion. The Group's borrowings decreased due to settlements made during the period. Contract liabilities, which include unearned tuition fees and unearned lease revenue, declined as the related revenues were recognized. Insurance contract liabilities, comprising unearned premiums, provisions for claims payable, legal policy reserves, and other insurance payables, decreased due to settlement of claims and payment of premiums to reinsurers. The net movement in lease liabilities reflects amortization and payments during the period. The increase in due to related parties pertains to cost billed to a subsidiary under the financial services sector.

Total noncurrent liabilities slightly decreased to P23.08 billion from P23.15 billion. Contract liabilities mainly consist of advances and rental deposits in the property sector. Noncurrent insurance contract liabilities relate to obligations of the life insurance subsidiary that are expected to be settled more than one year from the balance sheet date. Deferred reinsurance commissions represent portions of commissions applicable to the unexpired terms of insurance policies at period-end.

Consolidated equity increased to P54.44 billion from P52.87 billion, while consolidated retained earnings rose from P13.51 billion to P14.16 billion, reflecting the Group's higher net income for the period.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

During summer and enrollment period, the school operations undergo a material change. For the purposes of this discussion, the summer period occurs two months from May to June or June to July of every year depending on each school's academic calendar.

During the summer term, student enrollment drops significantly because the majority of matriculating students go on break. Therefore, there is a seasonal shift in revenues as enrolment drops in the summer term. Despite the lower revenue during the summer term and enrollment period, the schools continue to carry the same periodic fixed costs resulting to lower net profits during the school summer period.

Financial Soundness Indicators

The company's top 11 key performance indicators as of the end of March 31, 2025 compared to March 31, 2024 and to December 31, 2024 are as follows:

Financial ratios		Unaudited 31-Mar-25	Unaudited 31-Mar-24	Audited 31-Dec-24
Current ratio Indicates the Group's ability to pay short-term obligations	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.93:1	1.00:1	0.92:1
Solvency Ratio Shows how likely a company will be to continue meeting its debt obligations	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$	0.01:1	0.01:1	0.03:1
Debt-to-equity ratio Measures the Group's leverage	$\frac{\text{Total Debt}}{\text{Equity}}$	2.05:1	2.20:1	2.17:1
Asset to Equity Ratio Shows how the company's leverage (debt) was used to finance the firm	$\frac{\text{Total Assets}}{\text{Equity}}$	3.05:1	3.10:1	3.17:1
Interest Rate Coverage Shows how easily a company can pay interest on outstanding debt	$\frac{\text{EBIT}}{\text{Interest Expense}}$	10.08:1	8.04:1	6.21:1
Return on Average Stockholders' Equity Reflects how much the Group's has earned on the funds invested by the stockholders	$\frac{\text{Net Income}}{\text{Average Equity}}$	2.03%	1.35%	5.20%

Return on Assets Measure the ability to utilize the Group's assets to create profits	$\frac{\text{Net Income}}{\text{Total Assets}}$	0.65%	0.43%	1.60%
Net Profit Margin Shows how much profit is made for every peso of revenue	$\frac{\text{Net Income}}{\text{Total Revenues}}$	12.07%	6.00%	7.42%
Asset Turnover Shows efficiency of asset used in operations	$\frac{\text{Total Revenues}}{\text{Total Assets}}$	0.05	0.07	0.22

- Current ratio decreased to 0.93 in March 2025 from 1.0 in March 2024, mainly due to higher obligations incurred by the Group during the period.
- Solvency ratio remained at the same level as last year.
- Debt-to-equity ratio improved to 2.05 from 2.20 in March 2024, driven by increased equity resulting from higher net income.
- Asset to equity ratio slightly dropped to 3.01 from 3.10 in March 2024, reflecting the Group's strong equity position due to higher earnings.
- Interest rate coverage ratio rose to 10.08 times in March 2025, up from 8.04 in March 2024, supported by improved earnings.
- Return on average stockholders' equity increased to 2.03% in March 2025, attributable to higher net income.
- Return on assets (ROA) climbed to 0.65% this quarter, due to the Group's improved profitability.
- Net profit margin rose to 12.07%, reflecting stronger bottom-line performance.
- Asset turnover declined to 0.05 times from 0.07 times in March 2024, down from 0.07 times in March 2024, due to lower revenues generated by the financial services sector.

The above-mentioned ratios are applicable to the Group (Parent Company and its subsidiaries) as a whole.

PART II – OTHER INFORMATION

There is no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

EXHIBIT 1

HOUSE OF INVESTMENTS, INC. and SUBSIDIARIES

Interim Condensed Unaudited Consolidated Financial Statements

**March 31, 2025 and 2024 (Unaudited)
and
December 31, 2024 (Audited)**

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

	Unaudited Mar-2025	Audited Dec-2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	₱5,559,408,757	₱8,293,005,389
Receivables (Note 9)	11,100,668,671	11,262,666,490
Segregated fund assets (Note 10)	43,356,699,646	42,142,462,815
Reinsurance assets (Note 11)	17,262,813,302	18,355,961,194
Inventories (Note 12)	446,871,964	398,314,089
Loans receivable (Note 13)	1,971,161,466	2,059,584,359
Receivables from related parties	2,883,668	4,534,187
Prepaid expenses and other current assets (Note 14)	2,513,362,677	2,164,480,345
Total Current Assets	82,213,870,151	84,681,008,868
Noncurrent Assets		
Equity investments at fair value through other comprehensive income (FVOCI) (Note 15)	25,678,147,069	25,550,142,935
Financial assets at fair value through profit or loss (FVTPL) (Note 15)	8,268,325,297	7,903,390,740
Investment securities at amortized cost (Note 15)	4,369,172,628	4,379,302,139
Investments in associates and joint ventures (Note 16)	5,061,660,846	4,874,309,874
Property and equipment (Note 18)		
At revalued amount	15,015,152,509	15,015,152,509
At cost	9,350,107,257	9,037,246,462
Investment properties (Note 17)	12,373,209,851	12,395,384,044
Deferred tax assets – net	983,417,297	980,138,114
Right-of-use assets	578,435,397	610,840,289
Goodwill (Note 20)	176,176,264	176,176,264
Retirement assets	147,337,007	147,337,007
Deferred acquisition costs (Note 19)	537,762,701	527,720,153
Other noncurrent assets (Note 21)	1,350,759,531	1,318,409,007
Total Noncurrent Assets	83,889,663,654	82,915,549,537
Total Assets	₱166,103,533,805	₱167,596,558,405
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 22)	₱8,520,016,520	₱9,883,117,824
Loans payable (Note 23)	5,904,313,000	5,635,000,000
Segregated fund liabilities (Note 10)	43,356,699,646	42,142,462,815
Current portion of long-term debt (Note 24)	24,430,200	32,573,600
Current portion of contract liabilities (Note 25)	606,450,933	1,464,893,638
Insurance contract liabilities - current portion (Note 26)	29,504,062,065	31,956,515,864
Current portion of lease liabilities	207,931,786	167,708,899
Income tax payable	298,776,691	139,014,263
Due to related parties	162,219,100	148,011,591
Total Current Liabilities	88,584,899,941	91,569,298,494

	Unaudited Mar-2025	Audited Dec-2024
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 24)	P2,684,245,300	P2,682,729,050
Contract liabilities - net of current portion (Note 25)	121,213,116	112,250,951
Insurance contract liabilities - net of current portion (Note 26)	15,662,094,361	15,747,336,991
Lease liabilities - net of current portion	489,145,641	562,687,392
Deferred tax liabilities – net	2,052,282,653	2,054,583,692
Retirement liabilities	859,726,094	847,990,521
Deferred reinsurance commissions (Note 19)	216,081,484	245,799,378
Other noncurrent liabilities	993,086,220	899,972,615
Total Noncurrent Liabilities	23,077,874,869	23,153,350,590
Total Liabilities	P111,662,774,810	P114,722,649,084
Equity		
Common stock (Note 34)	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	(806,224,306)	(806,224,306)
Revaluation increment on land – net	3,779,148,385	3,779,148,385
Cumulative translation adjustments	43,890,084	47,177,851
Fair value reserve of equity investments at FVOCI	(15,079,661)	(352,644,065)
Remeasurement loss on retirement obligation	(60,355,859)	(59,802,377)
Remeasurement on legal policy reserves	5,397,818	(13,652,322)
Retained earnings (Note 35)		
Unappropriated	12,460,049,609	11,813,200,762
Appropriated	1,700,000,000	1,700,000,000
	34,116,863,422	33,117,241,280
Non-controlling interests (Note 36)	20,323,895,573	19,756,668,041
Total Equity	54,440,758,995	52,873,909,321
	P166,103,533,805	P167,596,558,405

See accompanying Notes to Consolidated Financial Statements.

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

	January 1 to March 31		
	2025	2024	2023
<i>Continuing Operations</i>			
REVENUE (Note 27)	₱9,017,016,855	₱11,304,407,481	₱2,878,908,886
COSTS OF SALES AND SERVICES (Note 28)	6,575,384,785	9,000,287,346	2,036,781,305
GROSS PROFIT (LOSS)	2,441,632,070	2,304,120,135	842,127,581
GENERAL AND ADMINISTRATIVE EXPENSES (Note 30)	(1,200,897,373)	(1,150,898,983)	(416,563,972)
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 16)	147,716,008	(19,805,754)	113,170,372
INTEREST AND FINANCE CHARGES (Note 32)	(146,591,686)	(117,752,037)	(151,199,725)
OTHER INCOME (LOSS) (Note 29)	88,702,065	(187,119,753)	50,148,935
INCOME (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,330,561,084	828,543,608	437,683,191
PROVISION FOR (BENEFIT FROM) INCOME TAX	(242,269,958)	(151,982,667)	(21,473,630)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	1,088,291,126	676,560,941	416,209,561
<i>Deconsolidated Operations</i>			
Net Income (Loss) from Deconsolidated Operations (Note 7)	-	-	(482,157,045)
NET INCOME (LOSS)	₱1,088,291,126	₱676,560,941	(₱65,947,484)
Net income (loss) attributable to:			
Equity holders of the Parent Company	₱646,848,847	₱245,565,537	(₱8,018,156)
Non-controlling interests	441,442,279	430,995,404	(57,929,328)
	₱1,088,291,126	₱676,560,941	(₱65,947,484)
EARNINGS (LOSS) PER SHARE (Note 33)			
Basic	₱0.4402	₱0.1671	(₱0.1387)
Diluted	₱0.4402	₱0.1671	(₱0.1387)

See accompanying Notes to Consolidated Financial Statements.

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

	January 1 to March 31		
	2025	2024	2023
NET INCOME	P1,088,291,126	P676,560,941	(P65,947,484)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Items to be reclassified to profit or loss in subsequent periods:</i>			
Share in other comprehensive gain (loss) of an associate	(365,038)	(4,231,674)	38,528,464
Cumulative translation adjustments	(4,251,606)	6,507,080	(30,096,620)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Changes in fair value of equity investments carried at FVOCI (Note 15)	524,637,967	(322,936,788)	4,842,646
Revaluation increment on land	-	-	-
Remeasurement on legal policy reserves	43,944,959	18,437,599	-
Remeasurement gain (loss) on net retirement	(160,395)	(451,693)	(68,990,466)
Income tax effect	(85,247,340)	45,787,802	16,521,220
	478,558,547	(256,887,674)	(39,194,756)
TOTAL COMPREHENSIVE INCOME	P1,566,849,673	P419,673,267	(P105,142,240)
Total comprehensive income attributable to:			
Equity holders of the Parent Company	P999,622,141	P29,309,053	(P34,141,302)
Non-controlling interests	567,227,532	390,364,214	(71,000,938)
	P1,566,849,673	P419,673,267	(105,142,240)

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

	Common Stock	Additional paid-in capital	Equity reserve on acquisition of subsidiaries	Revaluation increment - net	Cumulative translation adjustments	Fair value reserve of equity investments at FVOCI	Remeasurement gain (loss) on retirement	Remeasurement on legal policy reserves	Retained Earnings		Subtotal	Noncontrolling interest	Total
									Unappropriated	Appropriated			
BALANCES 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)	(59,802,377)	(13,652,322)	11,813,200,762	1,700,000,000	33,117,241,282	19,756,668,041	52,873,909,323
Net Income (Loss)									646,848,847		646,848,847	441,442,279	1,088,291,126
Other comprehensive income (loss)	-	-	-	-	(3,287,768)	337,564,404	(553,482)	19,050,140			352,773,294	125,785,253	478,558,547
Total Comprehensive Income (Loss)	-	-	-	-	(3,287,768)	337,564,404	(553,482)	19,050,140	646,848,847	-	999,622,141	567,227,532	1,566,849,673
Dividends to common stockholders	-	-	-	-	-	-	-	-	-	-	-	-	-
Declaration of dividend by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation of Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCES AT MARCH 31, 2025	2,201,795,746	14,808,241,606	(806,224,306)	3,779,148,385	43,890,084	(15,079,661)	(60,355,859)	5,397,818	12,460,049,609	1,700,000,000	34,116,863,422	20,323,895,573	54,440,758,995

	Common Stock	Additional paid-in capital	Equity reserve on acquisition of subsidiaries	Revaluation increment - net	Cumulative translation adjustments	Fair value reserve of equity investments at FVOCI	Remeasurement on legal policy reserves	Remeasurement gain (loss) on retirement	Retained Earnings		Subtotal	Noncontrolling interest	Total
									Unappropriated	Appropriated			
BALANCES AT JANUARY 31, 2024	2,201,795,746	14,808,241,606	(868,077,101)	3,289,823,486	46,376,718	(47,667,218)	-	(18,380,971)	7,390,657,134	5,200,000,000	32,002,769,400	18,211,850,515	50,214,619,914
Net Income (Loss)									245,565,537		245,565,537	430,995,404	676,560,941
Other comprehensive income (loss)				-	5,252,364	(203,583,509)	7,992,699	(25,918,038)			(216,256,484)	(40,631,190)	(256,887,674)
Total Comprehensive Income (Loss)	-	-	-	-	5,252,364	(203,583,509)	7,992,699	(25,918,038)	245,565,537	-	29,309,053	390,364,214	419,673,267
Reclassification of investment in associates to FVOCI				(75,107,937)	(13,057,311)	80,158,119		32,203,598	(24,196,469)		-		-
Sale of FVOCI Investments									41,589,733		41,589,733		41,589,733
Dividends to common stockholders											-		-
Declaration of dividend by a subsidiary									(415,800,000)		(415,800,000)		(415,800,000)
Appropriation of Retained Earnings											-		-
BALANCES AT MARCH 31, 2024	2,201,795,746	14,808,241,606	(868,077,101)	3,214,715,549	38,571,771	(171,092,608)	7,992,699	(12,095,411)	7,237,815,935	5,200,000,000	31,657,868,186	18,602,214,729	50,260,082,915
BALANCES 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	17,497,986,436	35,864,383,256
Net Income (Loss)									(8,018,156)		(8,018,156)	(57,929,328)	(65,947,484)
Other comprehensive income (loss)					(16,655,470)	4,375,336		(13,843,012)			(26,123,145)	(13,071,610)	(39,194,756)
Total Comprehensive Income (Loss)	-	-	-	-	(16,655,470)	4,375,336	-	(13,843,012)	(8,018,156)	-	(34,141,301)	(71,000,938)	(105,142,240)
Declaration of dividend by a subsidiary											-	(202,499,695)	(202,499,695)
BALANCES AT MARCH 31, 2023	1,162,540,326	154,578,328	1,932,007,449	2,218,473,182	335,446,047	115,375,859	-	(27,905,379)	4,936,384,706	7,505,355,000	18,332,255,519	17,224,485,802	35,556,741,321

See accompanying Notes to Consolidated Financial Statements.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Quarter Ended March 31		
	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	₱1,330,561,084	₱828,543,608	₱437,683,191
Adjustments for:			
Depreciation and amortization (Note 32)	245,694,694	208,107,004	285,508,318
Interest and finance charges (Note 33)	146,591,686	123,570,982	325,664,526
Movements in net retirement liabilities	11,182,091	19,930,359	19,291,707
Market gain on financial asset at fair value through profit or loss (FVPL)	(571,407)	(116,094,022)	—
Dividend income (Note 30)	(337,285)	(40,869,381)	(51,700)
Unrealized foreign exchange loss (gain) (Note 30)	797,902	(90,316,040)	2,234,429
Interest income (Note 30)	(37,107,472)	(455,087,272)	(35,437,934)
Loss from reclassification of investments	—	245,052,123	—
Provision (Recovery) of probable losses	(33,951,812)	17,013,903	5,600,709
Gain on sale of:			
Investment properties (Note 30)	(2,692,000)	—	—
Property and equipment (Note 30)	(1,277,514)	(6,092,241)	—
Equity in net earnings of associates and joint venture (Note 17)	(147,716,008)	19,805,754	(113,170,372)
Deconsolidated operations – net (Note 7)	—	—	(524,069,511)
Operating income (loss) before working capital changes	1,511,173,959	753,564,777	403,253,363
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	250,420,713	(94,325,503)	(479,978,782)
Contract assets	—	—	(167,037,291)
Inventories	(48,557,875)	(7,950,375)	(219,207,697)
Reinsurance assets	1,093,147,892	—	—
Prepaid expenses and other current assets	(348,882,332)	(314,335,434)	(216,596,374)
Increase (decrease) in:			
Accounts payable and other current liabilities	(734,097,772)	(84,198,352)	632,475,825
Contract liabilities	(849,480,540)	(310,758,452)	269,811,879
Insurance contracts	(2,537,696,429)	(289,786,430)	—
Other noncurrent liabilities	63,395,712	198,174,235	24,643,879
Net cash generated from (used in) operations	(1,600,576,672)	(149,615,534)	247,364,802
Interest received	75,233,926	57,595,586	17,073,183
Income tax	(24,703,709)	(115,511,079)	(289,263,601)
Interest and finance charges paid (Note 33)	(146,591,686)	(178,154,809)	(31,322,579)
Net cash flows used in operating activities	(1,696,638,141)	(385,685,836)	(56,148,195)

(Forward)

	Quarter Ended March 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in other noncurrent assets	(P131,894,994)	P141,121,853	(P1,345,664,998)
Proceeds from sale of:			
Property and equipment	1,277,514	51,277,347	—
Investment in subsidiary	—	—	—
Sale of investment in associates (held for sale)	—	337,378,019	—
Investment properties	220,000	—	—
Financial assets at FVTPL, FVOCI and Amortized costs	1,506,577,261	112,459,337	759,087
Dividends received	(8,004,463)	9,065,942	76,767,869
Acquisitions of:			
Computer software (Note 22)	(3,293,519)	(8,085,744)	(9,574,436)
Financial assets at FVTPL, FVOCI and Amortized costs	(1,652,473,023)	(1,799,527,519)	—
Investment in AFS	—	—	—
Investment in associates (Note 17)	(40,000,000)	(21,367,280)	—
Investment in subsidiary	—	—	—
Property and equipment	(314,138,309)	(350,426,679)	(605,370,773)
Investments properties (Note 15)	(633,638,330)	(558,800)	(50,544,994)
Net cash flows provided by (used in) investing activities	(1,275,367,863)	(1,528,663,524)	(1,933,628,245)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans payable (Note 24)	1,365,813,000	203,000,000	3,431,408,437
Long-term debt - inclusive of transaction costs (Note 25)	1,516,250	1,516,250	6,764,944
Proceeds from deposit for future subscription	—	—	—
Receipts (disbursements) from related party transactions	15,858,028	72,030,205	16,127,620
Changes in non-controlling interests	—	390,364,215	(273,500,634)
Payments of:			
Lease Liability	(33,318,864)	4,842,179	(42,630,867)
Dividends paid	(6,017,740)	—	—
Loans payable (Note 24)	(1,096,500,000)	(598,142,021)	(1,566,408,437)
Long-term debt (Note 25)	(8,143,400)	(8,143,400)	(802,713,770)
Net cash flows provided by financing activities	239,207,274	65,467,428	769,047,293
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(797,902)	90,316,040	(2,234,429)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,733,596,632)	(1,758,565,890)	(1,222,963,579)
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 8)	P5,559,408,757	P4,874,481,915	P5,407,503,778

See accompanying Notes to Consolidated Financial Statements.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

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

The Parent Company undertook a portfolio realignment with a bias for recurring income and growth in 2023. As a result, the core business focus of the 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, Deathcare and Construction. 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.

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, included as part of “Prepaid expenses and other current assets,” 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:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				Mar 2025		Dec 2024	
				Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	100.00	—	100.00	—
Landev Corporation	Philippines	Property management	Philippine Peso	100.00	—	100.00	—
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	60.00	—	60.00	—
ATYC, Inc. (ATYC)	Philippines	Property leasing	Philippine Peso	100.00	—	100.00	—
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	—	100.00	—	100.00
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	—	100.00	—	100.00
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	—	100.00	—	100.00
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	50.00	13.00	50.00	13.00
EEI Corporation (EEI) ^(a)	Philippines	Construction Education and Information Technology	Philippine Peso	—	—	21.00	—
iPeople, inc. (IPO)	Philippines	Technology	Philippine Peso	49.99	—	48.18	—
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	Philippines	Education and Information Technology	Philippine Peso	—	99.79	—	99.79
University of Nueva Caceres	Philippines	Education and Information Technology	Philippine Peso	—	83.62	—	83.62
AC College of Enterprise and Technology, Inc	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	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. ^(d)	Philippines	Real estate	Philippine Peso	100.00	—	100.00	—
RCBC Trust Corporation ^(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.
- (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%.

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 2024. 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 1, *Classification of Liabilities as Current or Non-current*
The amendments clarify:
 - o That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
 - o That classification is unaffected by the likelihood that an entity will exercise its deferral right.
 - o That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Standards Issued But Not Yet Effective

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

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
 - o Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

- o Amendments to PFRS 7, *Gain or Loss on Derecognition*
- o Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- o Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- o Amendments to PAS 7, *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:

- o A specific adaptation for contracts with direct participation features (the variable fee approach)
- o 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. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the International Accounting Standards Board (IASB).

Further, 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).

PFRS 17 is effective for reporting periods beginning on or after January 1, 2027, with comparative figures required. Early application is permitted.

PFRS 17 will affect how the Company account for insurance contracts and how it reports financial performance in the statements of comprehensive income. The Company is currently assessing the impact that PFRS 17 will have on the financial statements.

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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. 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, 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 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 under Other noncurrent 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 March 31, 2025 and December 31, 2024.

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.

- 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.

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.

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. 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 power-related

The Group's power supply agreement with its customer requires the Group to deliver certain units of electricity (in kWh) to the customer per month. As delivery of electricity 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 electricity is simultaneously provided and consumed, the Group's performance obligation to deliver electricity qualifies for revenue recognition over time by applying par. 35(a) of PFRS 15. The Group recognizes revenue from power generation 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.

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

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 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 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 statement of financial position.

Onerous contracts

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

Contract balances arising from revenue with customer contracts

Receivables

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

Contract assets

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

Contract liabilities

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

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

(c) Revenues within the scope of PFRS 9

Interest income on investment securities at amortized cost and FVOCI

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

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

Interest income on financial assets at FVTPL

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

Trading and securities gain (loss) - net

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

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

Expenses

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

Cost of sales and services

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

General and administrative expenses

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

Inventories

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

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

The cost of real estate inventories includes (a) land cost; (b) freehold and leasehold rights for land; (c) amounts paid to contractors for construction; (d) planning and design cost, cost of site preparation, professional fees, property taxes, construction overheads and other related costs that are directly attributable in bringing the real estate inventories to its intended condition.

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

Materials issued but still uninstalled to construction projects are not considered as part of computation for percentage of completion of projects.

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.

Advance to Suppliers and Subcontractors

Advance to suppliers and subcontractors represents advance payment for the purchase of various construction materials and down payment to subcontractors for the contract work to be performed.

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 venture 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.

The Group's associates and joint venture accounted for using the equity method as of March 31 follows:

	Place of		Functional	Percentage of Ownership	
	Incorporation	Nature of Business	Currency	Mar 2025	Dec 2024
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC) ^(a)	Philippines	Renewable energy	Philippine peso	30.57	30.57
PetroGreen Energy Corporation (PGEC) ^(b)	Philippines	Renewable energy	Philippine peso	—	—
T'boli Agro-Industrial Development, Inc.	Philippines	Agriculture	Philippine peso	—	—
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 ^(c)	Philippines	Construction	Philippine peso	—	—

(a) In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%.

(b) In 2022, the Parent Company's indirect investment in PGEC, a subsidiary of PERC, was reduced from 10% to 8.55% due to sale of shares to Kyuden International Corporation (KIC). In 2023, PGEC applied for increase in authorized capital stock, which was subscribed and issued to KIC, this further reduced the Group's indirect investment from 8.55% to 7.50%.

(c) 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 P1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signifies loss of control over the subsidiary. This resulted to derecognition of EEI assets in the Group's financial statements. 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%.

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	32.5
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.

Property and Equipment

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	5 to 40
Machinery, tools, and construction equipment	2 to 20
Transportation and service equipment	5
Furniture, fixtures and office equipment	3 to 10

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.

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

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

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

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

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

Impairment of Nonfinancial Assets

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

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

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

Goodwill

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

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

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

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

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

Combination of Entities under Common Control

In 2023, the Group accounted for its share swap transaction as combination of entities under common control accounted for by applying the pooling-of-interests method. 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 less incentives received.

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

	Years
Land, land improvements and sites	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.

Sale and leaseback

When entering into a sale and leaseback transaction, the Group determines whether the transfer qualifies as a sale based on the requirements satisfying a performance obligation under PFRS 15.

When the transfer of the asset is a sale, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group. Gain or loss is recognized only at the amount that relates to the rights transferred to the buyer-lessor.

When the transfer of the asset is not a sale under PFRS 15 requirements, the Group continues to recognize the asset in its statement of financial position and accounts for the proceeds from the sale and leaseback as a financial liability in accordance with PFRS 9.

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 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 insurance contract liabilities

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

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

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

Insurance contracts with fixed and guaranteed terms

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

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

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

Provision is also made for the cost of claims incurred but not reported (IBNR) as of the reporting date based on the Group’s experience. Differences between the provision for outstanding claims at the reporting date and subsequent revisions and settlements are included in the statement of

income in later years. Policy and contract claims payable forms part of the insurance contract liability section of the 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 Parent Company with consideration received from the policyholders. As allowed by PFRS 4, the Parent Company 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 Parent Company 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.

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.

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.

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 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 statement 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 statement 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 statement of income.

Retirement Cost

Defined benefit plan

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

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

Defined benefit costs comprise the following:

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

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

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

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

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

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

Income Tax

Current tax

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

Deferred tax

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

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

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries, associate and interest in joint venture. With respect to investments in foreign subsidiaries, associate and interest in joint venture, deferred tax liabilities

are recognized except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

Basic and Diluted Earnings Per Share (EPS)

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

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

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

Provisions

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

Contingencies

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

Stock Option Plan

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

Segment Reporting

The Group's operating business are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 38.

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 35).

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 36).

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 has determined that it is still the largest stockholder of IPO with 48.18% 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 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.

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 (Note 28).

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 March 31, 2025 and December 31, 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%.

Combination of Entities under Common Control

A combination involving entities or businesses under common control is 'a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory'. This will include transactions such as the transfer of subsidiaries or businesses between entities within a group.

The share swap transaction entered into by the Parent Company with PMMIC and GPLH for acquisition of insurance business were determined to be common control business combinations (see Note 34).

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 16 for details of the Group's investment in joint venture.

Estimates

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

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 ₱0.70 billion and ₱0.73 billion as of March 31, 2025 and December 31, 2024, respectively.

Estimating variable considerations arising from change orders and claims

The Group frequently agrees to change orders that modify the scope of its work previously agreed with customers and regularly submits claims to customers when unanticipated additional costs are incurred because of delays or changes in scope caused by the customers. PFRS 15 requires the Group to recognize, as part of its revenue from construction contracts, the estimated amounts the Group expects to be entitled to and to be received from customers due to these change orders and claims (otherwise known as variable considerations), provided that it is highly probable that a significant reversal of the revenue recognized in connection with these variable considerations will not occur in the future. For these unpriced change orders and claims, the Group uses the "most likely amount" method to predict the amount to which it will be entitled and expected to be received from the customers. The Group also updates its estimate of the transaction price to reflect any changes in circumstances that would result to changes in amount of variable considerations and corresponding increase or decrease in the contract assets.

The aggregate carrying values of receivables and contract assets amounted to ₱11.10 billion and ₱11.26 billion as of March 31, 2025 and of December 31, 2024, respectively (Notes 9 and 10).

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 ₱8.18 billion and ₱7.70 billion as of March 31, 2025 and December 31, 2024, respectively (see Note 15).

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 March 31, 2025 and December 31, 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 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 ₱15.02 billion as of March 31, 2025 and December 31, 2024, respectively. The key assumptions used to determine the fair value of the parcels of land are disclosed in Note 18.

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 20.

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 periods ended March 31, 2024 and December 31, 2024 (Notes 18, 20 and 21).

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 20 and 21.

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 35. 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 ₱147.34 million as of March 31, 2025 and December 31, 2024, respectively whereas retirement liabilities amounted to ₱859.73 million and ₱847.99 million as of March 31, 2025 and December 31, 2024, respectively.

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 36 to the consolidated financial statements.

Classification of CWT

The Group classifies 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 14 and 21 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% of its outstanding shares 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%.

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%.

Impact on the Parent Financial Statements

The Parent Company recognized total gain on the sale amounting to ₱1,143.81 million, based on the difference between the cash proceeds and acquisition cost of the investment sold.

Impact on the Consolidated Financial Statements

The sale in April 2023, which is measured based on the difference between the transaction price (i.e., ₱6.03 per share) and carrying amount of the net assets of the subsidiary at the consolidation level (i.e., ₱7.28 per share), resulted to a loss of ₱715.90 million.

The remaining investment of 35.34% was accounted for as an investment in associate, and was revalued at ₱6.03 per share.

The Parent Company recognized gain on bargain purchase amounting to ₱234.95 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 (*Note 4- 'Day 1' difference*).

Fair value of retained investment		₱2,209,143,065
Fair value of acquired net assets of EEI		
Contract Assets	₱10,159,253,306	
Accounts Receivable	3,312,770,599	
Cash and cash equivalents	2,469,223,402	
Property and Equipment	2,332,744,104	
Other Assets	11,930,326,226	
Loans payable	(4,600,000,000)	
Long-term debt	(5,508,339,253)	
Accounts Payable and other expenses	(5,560,062,222)	
Other Liabilities	(1,665,383,731)	
Fair value of net assets	₱12,870,532,430	
Less: Share of other shareholders	(10,426,434,515)	2,444,097,914
Gain on bargain purchase		₱234,954,849

The fair value of the identifiable assets and liabilities of EEI as at April 26, 2023 were based on the provisional assessment of fair value pending completion of 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.

This revaluation, including the gain recognized on the second sale transaction, have tempered the impact of the loss on disposal of the investment by the Parent Company.

The net loss on the disposal of investments pending completion of independent valuation is as follows:

Loss from Deconsolidation	(₱715,896,914)
Gain on bargain purchase (Day 1 difference)	234,954,849
Gain on disposal of investment (14.34%)	75,496,882
Net Loss on Disposal of Investment (Note 30)	(₱405,445,182)

7. Deconsolidated Operations

On April 26, 2023, the Parent Company partially sold its investment in EEI resulting to a loss of control over the subsidiary (See Note 6). The comparative consolidated statement of income has been re-stated to show the deconsolidated operations separately from continuing operations.

The results of the deconsolidated operations were as follows:

	Quarter Ended March 31	
	2023*	2022
<i>Deconsolidated Operations</i>		
REVENUE	₱5,175,639,044	₱8,545,782
COSTS OF SALES AND SERVICES	4,618,644,245	7,511,857,964
GROSS PROFIT (LOSS)	308,189,274	434,995,156
GENERAL AND ADMINISTRATIVE EXPENSES	(321,712,457)	(353,195,733)
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	(357,679,435)	224,359,909
INTEREST AND FINANCE CHARGES	(174,464,801)	(111,631,621)
OTHER INCOME	21,597,908	28,098,030
INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS BEFORE INCOME TAX	(524,069,511)	222,625,741
PROVISION FOR (BENEFIT FROM) INCOME TAX	41,912,466	(10,411,312)
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS	(₱482,157,045)	₱212,214,429

*Represents period activity prior to the sale on April 26, 2023

8. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand and in banks	₱2,791,478,648	₱4,876,274,899
Cash equivalents	2,767,930,523	3,416,730,904
	5,559,409,171	8,293,005,803
Less: allowance for impairment loss	414	414
	₱5,559,408,757	₱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.

Interest income from cash in banks and short-term investments amounted to ₱20.27 million, ₱33.84 million, and ₱35.4 million for the period ended March 31, 2025, 2024 and 2023, respectively (see Note 30).

	2024	2023
Balance at beginning of period	P414	P–
Effect of common control business combination	–	414
Balance at end of period	P414	P414

9. Receivables

This account consists of:

	2025	2024
Trade		
Insurance	P8,457,091,375	P8,097,428,126
Education	1,634,096,268	2,064,608,313
Car dealership	531,431,029	574,667,178
Other services	361,581,088	359,932,067
Other receivables		
Accrued interest receivable	484,999,511	523,125,965
Advances to officers and employees	69,248,804	65,440,999
Dividends receivable	59,059,944	50,718,196
Accrued referral incentives	17,498,398	23,568,101
Receivables from car plant	28,623,293	38,019,582
Advances to suppliers and contractors	185,245	1,019,664
Receivable from customers	6,636,568	5,421,537
Others	74,870,924	66,166,648
	11,725,322,447	11,870,116,376
Less allowance for impairment	624,653,776	607,449,886
	P11,100,668,671	P11,262,666,490

Trade receivables

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

Insurance receivables

Premiums due and uncollected premiums arise from uncollected premiums on in-force 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, as stipulated in the treaty contracts. The reinsurance recoverable on paid losses is the amount recoverable from the reinsurers and retrocessionaires in respect of claims already paid by the Group.

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 P122.7 million and P161.7 million as at March 31, 2025 and December 31, 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 / automotive

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 March 31, 2025 and December 31, 2024.

Other receivables

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

Receivable from customers

In 2017, certain trade receivables were reclassified as interest-bearing trade receivables after the Group and the customers agreed to extend the credit terms. These receivables bear interest of 5% per annum and will be repaid in five (5) years' time.

Receivables classified as "Others" consist of interest, commissions, and various receivables.

10. Segregated funds

Segregated fund assets

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 account consists of the following:

	2025	2024
Variable-unit linked fund	P43,321,395,528	P42,142,462,815
GEM trust fund	74,578,922	—
	P43,395,974,450	P42,142,462,815

Variable-unit linked (VUL) fund

This fund consists of:

	2025	2024
Net asset value of segregated funds	P43,892,926,858	P42,688,319,471
Seed capital in segregated funds	(536,227,212)	(545,856,656)
	P43,356,699,646	P42,142,462,815

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.

11. Reinsurance Assets

This account consists of:

	2025	2024
Reinsurance recoverable on unpaid losses	P13,426,329,527	P13,693,992,453
Deferred reinsurance premiums	3,836,483,775	4,661,968,741
	P17,262,813,302	P18,355,961,194

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.

12. Inventories

This account consists of:

	2025	2024
Merchandise:		
Automotive units	P356,330,424	P271,066,384
Parts, service materials and accessories	125,508,352	162,223,824
Others	773,199	762,396
Subtotal	482,611,975	434,052,604
Less: Allowance for inventory obsolescence	35,740,011	35,738,515
	P446,871,964	P398,314,089

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 P35.74 million as of March 31, 2025 and of December 31, 2024, respectively.

The rollforward of allowance for inventory obsolescence is as follows:

	2025	2024
Balance at beginning of year	P35,738,515	P35,966,255
Provision (Recoveries)	1,496	15,855,105
Write-off	—	(16,082,845)
Impairment balance	35,740,011	35,738,515
Effect of deconsolidated operations	—	—
Balance at end of year	P35,740,011	P35,738,515

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

13. Loans receivable

This account consists of:

	2025	2024
Long-term commercial papers	₱1,060,854,215	₱1,117,501,332
Policy loans	775,056,651	740,695,715
Due from:		
Held for trust	21,034,139	22,710,757
Agents	27,074,538	23,566,818
GEM trust fund	2,742,872	7,855,950
Others	96,345,067	153,118,958
	1,983,107,482	2,065,449,530
Less: Allowance for impairment	11,946,016	5,865,171
	₱1,971,161,466	₱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 3.30% to 7.26% and from 2.46% to 7.82% as of December 31, 2024 and 2023, respectively, and maturities ranging from 2025 to 2031 and 2024 to 2028 as of December 31, 2024 and 2023, 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)	6,080,845	(335,289)
Effect of common control business combination	—	—
Balance at end of year	₱11,946,016	₱5,865,171

14. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
CWTs	₱1,376,428,979	₱1,308,286,889
Prepaid expenses	577,977,597	469,490,572
Unused supplies	32,112,982	27,313,715
Miscellaneous deposits	76,651,751	74,797,104
Input VAT	208,569,007	65,480,317
Prepaid taxes	34,417,559	12,324,729
Short-term investments	5,605,485	6,249,369
Others	210,289,830	209,228,163
	2,522,053,190	2,173,170,858
Less allowance for impairment	8,690,513	8,690,513
	₱2,513,362,677	₱2,164,480,345

CWTs pertain to unutilized creditable withholding tax which will be used as tax credit against income taxes due. CWTs were classified as current are assessed to be utilized the following year.

Prepaid expenses mainly include prepayments for membership fees, subscriptions, rentals and insurance, among others.

Miscellaneous 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 less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects.

Advances to suppliers and contractors represent down payment to subcontractors for the contract work to be performed and advance payment for the purchase of various construction materials.

Others include various deposits and other supplies, among others.

15. Financial Assets

A. Financial assets at fair value through profit or loss (FVTPL)

This account consists of:

	2025	2024
Unquoted debt securities	₱6,138,973,248	₱5,886,745,147
Mutual funds	751,224,721	637,948,468
Seed capital in variable unit-linked segregated funds	536,227,212	545,856,657
Listed equity shares	494,416,020	466,425,227
Private debt securities	245,989,835	272,664,770
Government securities	101,494,261	93,750,471
	₱8,268,325,297	₱7,903,390,740

Unquoted debt securities are with embedded derivatives features such as credit linked notes and foreign currency swap amounting to ₱6.16 billion and ₱5.89 billion in March 31, 2025 and

December 31, 2024, respectively, and are designated as financial assets at FVPL. 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 2030.

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	858,467,583	2,117,011,274
Disposal	(506,592,657)	(628,345,588)
Effect of foreign currency	(11,720,583)	–
Fair value gains (losses)	24,780,214	(8,256,736)
Balance at end of year	₱8,268,325,297	₱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	₱23,635,760,348	₱23,736,363,719
Unquoted shares	2,042,386,721	1,813,779,216
	₱25,678,147,069	₱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	337,564,404	(324,275,403)
Reclassification	–	80,158,119
Disposal	–	(60,859,563)
Effect of deconsolidation of a subsidiary	–	–
Balance at end of year	(15,079,661)	(₱352,644,065)
Non-controlling interests:		
Balance at beginning of year	250,183,400	323,604,683
Income recognized in OCI	(181,799,151)	(73,421,283)
Balance at end of year	68,384,249	250,183,400
	₱53,304,588	(₱102,460,665)

Dividend earned from equity investments at FVOCI amounted to ₱0.34 million, ₱0.28 million and ₱0.51 million in 2025, 2024, and 2023, respectively (Note 29).

No equity investments at FVOCI were pledged as security to obligations as of March 31, 2025 and December 31, 2024, respectively.

C. Investment securities at amortized cost

This account consists of:

	2025	2024
Government debt securities	₱4,108,188,650	₱4,113,571,760
Private debt securities	260,983,977	265,730,379
	₱4,369,172,627	₱4,379,302,139

Interest rate of investment securities at amortized cost are ranging from 1.65% to 8.00% as of March 31, 2025 and December 31, 2024, respectively.

No investment securities at amortized cost were pledged as security to obligations as of March 31, 2025 and December 31, 2024, respectively.

16. Investments in Associates and Joint Ventures

The Group's associates and joint venture accounted for using the equity method as of March 31 follows:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				Mar 2025	Dec 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%

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)
Effect of deconsolidation of a subsidiary	—	—
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	147,716,008	81,479,896
Dividend received	—	(82,958,771)
Reclassification	—	271,780,979
Effect of deconsolidation of a subsidiary	—	—
Balance at end of year	2,510,780,272	2,363,064,264

	2025	2024
<i>Share in other comprehensive gain (loss) of an associate:</i>		
Cumulative translation adjustments	35,002,552	35,002,552
Remeasurement gain (loss) on retirement liability	(6,174,160)	(5,740,974)
Revaluation increment	—	—
Changes in fair value of investments carried at FVOCI	579,262	511,112
	29,407,654	29,772,690
	P5,061,660,846	P4,874,309,874

EEI

As disclosed on Note 6, the Parent Company sold 20% investment holdings in EEI resulting to loss of control over the subsidiary. The remaining investment of 35.34% was accounted for as an investment in associate. Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceed from the sale amounted to P1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to P0.58 billion.

As of December 31, 2023, the Parent Company classified 4.5% interest in EEI as "Asset Held for Sale" and remeasured at P337.38 million. The transaction was accounted as noncash investing activity in the 2023 consolidated statement of cash flows. The asset was subsequently sold on January 5, 2024. On February 23, 2024, the Parent Company sold another 1.5% interest in EEI. As of December 31, 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 P17.8 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 P3.58 and P3.60 per share as of March 31, 2025 and December 31, 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 November 8, 2019, the Parent Company purchased 2,500,000 shares of SGAPC from Sojitz Corporation amounting to P50.00 million or equivalent to 20.00% ownership equity.

The reconciliation of the net assets of the associates and joint ventures to the carrying amounts of the interests in significant associates and joint ventures recognized in the consolidated financial statements is as follows (in millions):

As of March 31, 2025 and December 31, 2024, no investments in associates were pledged as security to obligations.

17. Investment Properties

The rollforward analysis of this account follows:

	2025	2024
<i>Cost:</i>		
Balance at beginning of year	P13,069,905,940	P11,010,049,133
Additions	4,634,798	145,556,063
Reclassification	—	1,915,467,631
Effect of common control business combination	—	—
Effect of deconsolidation of a subsidiary	—	—
Disposals	(220,000)	(1,166,888)
Balance at year end	13,074,320,738	13,069,905,939
<i>Accumulated depreciation:</i>		
Balance at beginning of year	(674,521,895)	185,660,228
Depreciation	(26,588,992)	245,352,203
Reclassification	—	243,509,464
Effect of common control business combination	—	—
Deconsolidation	—	—
Balance at year end	(701,110,887)	674,521,895
	P12,373,209,851	P12,395,384,044

Properties classified as investment properties include the following:

- Parcel of land located in Makati owned by SLRHSI with the carrying value of P1,961.07 million.
- Heritage lots held for capital appreciation of the Parent Company amounted to P0.6 million.
- Parcel of land, building, building improvements and machinery and equipment situated in Taguig City owned by ATYC with carrying value of P6,132.04 million.
- Parcel of land located in Tarlac with carrying value of P2,673.17 million acquired by the Group in 2023. The acquisition includes cash paid in 2023 amounting to P534.63 million and the balance for installment payment is treated as noncash investing activity in the 2023 consolidated statement of cashflow. As of March 31, 2025 and December 31, 2024, the installment payable consist of the following:

	2025	2024
Current	P711,932,964	P669,152,694
Noncurrent	757,448,262	1,469,381,226
	P1,469,381,226	P2,138,533,920

As of December 31, 2024, the aggregate fair values of land amounted to P20.63 billion, which was determined based on valuation performed by an independent SEC accredited appraiser in 2024. 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).

Rental income derived from the investment properties amounted to P222.05 million, P181.25 million, and P183.76 million in 2025, 2024 and 2023, respectively. Total direct expenses incurred in relation to these investment properties amounted to P80.85 million, P68.15 million and P70.91 million in 2024, 2023 and 2022, respectively.

None of the investment properties were pledged as a security to obligations as of March 31, 2025 and December 31, 2024, respectively.

18. Property and Equipment

Property and equipment at revalued amount

Movements in the revalued land are as follows:

	2025	2024
Balance at beginning of year	P15,015,152,509	P15,469,825,819
Change in revaluation increment	–	1,101,121,690
Reclassification	–	(1,555,795,000)
Balance at end of year	P15,015,152,509	P15,015,152,509

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, 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, 2024.

In 2024 and 2023, the Group revalued its land based on the appraisals made by SEC accredited appraisers. As of March 31, 2025 and December 31, 2024, the cost of the parcels of land carried at revalued amounts amounted to P4,284 million, respectively.

Property and equipment at cost:

The rollforward analysis of this account follows:

	2025	2024
<i>Cost</i>		
Land, Buildings and Improvements	P7,545,296,416	P7,497,551,822
Machinery, Tools & Construction Equipment	524,742,040	516,288,842
Transportation & Service Equipment	714,887,661	704,971,759
Furniture, Fixtures & Office Equipment	4,904,402,951	4,822,080,205
	13,689,329,068	13,540,892,628
Less: Accumulated Depreciation	(8,183,274,436)	(8,027,517,727)
	5,506,054,632	5,513,374,901
Construction in Progress	3,844,052,625	3,523,871,561
Net book value	P9,350,107,257	P9,037,246,462

None of the property and equipment were pledged as a security to obligations as of March 31, 2025 and December 31, 2024.

19. Deferred Acquisition Costs - net

As of March 31, 2025 and December 31, 2024, details of deferred acquisition costs net of deferred reinsurance commissions follow:

	2025	2024
Deferred acquisition costs	₱537,762,701	₱527,720,153
Deferred reinsurance commissions	(216,081,484)	(245,799,378)
	₱321,681,217	₱281,920,775

20. Goodwill

The carrying amount of goodwill allocated to each of the CGUs follows:

	2024	2024
IPO	₱32,644,808	₱32,644,808
MESI	137,583,345	137,583,345
Business combination of IPO and AEI	5,948,111	5,948,111
	₱176,176,264	₱176,176,264

Goodwill of IPO

Management determined that the recoverable amount of the goodwill balance of IPO were fair values less costs of disposal wherein the fair values are the quoted prices of the shares of stocks of IPO in the Philippine Stock Exchange as of March 31, 2025 and December 31, 2024 and incorporated control premium in the said fair values (Level 3 – Significant unobservable inputs). Management assessed that the costs of disposal, which mainly consist of the stock transaction tax, brokers' commission and transaction fee with the stock exchange to be insignificant.

In 2024 and 2023, 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 of MESI

The goodwill recognized in the consolidated statement of financial position amounting ₱137.85 million as of March 31, 2025 and December 31, 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 2024 and 2023, 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 ₱5.95 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, 2024 and 2023, 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 (3.05% for 2024 and 4.66% for 2023). 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 (11.8% for 2024 and 11.4% for 2023). 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.

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 goodwill 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
	<u>₱652,584</u>

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 March 31, 2025 and December 31, 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 2024 and 2023). 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 2024 and 2023). 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 2024 and 2023). 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 ₱32.8 million and ₱32.2 million impairment loss on intellectual property rights of APEC in 2023 and 2022, respectively (nil in 2021). The carrying value of intellectual property rights as of December 31, 2023 and December 31, 2024 amounted to ₱447.68 million, respectively (Note 21).

Student Relationship

The carrying value and movement of student relationship as of September 30, 2024 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	(557)	(3,061)
Ending balance	(113,595)	(113,038)
Balance at end of the year	₱2,414	₱2,971

Amortization amounted to ₱0.6 million in 2025, and ₱3.1 million 2024.

21. Other Noncurrent Assets

This account consists of:

	2025	2024
Intellectual property rights (Note 23)	₱447,676,000	₱447,676,000
Deferred input VAT	445,204,483	407,837,852
CWT - net of current portion	273,492,460	283,295,422
Miscellaneous deposit	68,260,747	62,790,636
Accrued rent income	58,636,608	58,867,410
Computer software	42,013,267	41,129,138
Student relationship	2,413,976	2,971,048
Others	13,061,990	13,841,501
	₱1,350,759,531	₱1,318,409,007

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).

Miscellaneous 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	3,293,519	50,875,144
Effect of deconsolidation of a subsidiary	—	—
Balance at end of year	211,254,237	207,960,718
Accumulated Amortization		
Balance at beginning of year	166,831,580	130,795,689
Amortization	2,409,390	34,723,168
Reclassifications and adjustments	—	1,312,723
Effect of deconsolidation of a subsidiary	—	—
Balance at end of year	169,240,970	166,831,580
Net Book Value	₱42,013,267	₱41,129,138

22. Accounts Payable and Other Current Liabilities

This account consists of:

	2025	2024
Accounts payable	₱2,628,918,271	₱3,246,048,801
Accrued expenses	1,425,786,496	1,400,304,688
Commission payable	1,158,144,285	1,139,931,040
Installment payable - current portion (Note 17)	711,932,964	1,340,936,496
Output tax payable	982,288,875	1,010,226,046
Withholding taxes and others	597,478,042	773,641,911
Customer's deposit	588,417,842	579,209,692
Provisions	191,768,875	187,627,712
Dividends payable	76,726,957	82,744,697
Reserve for guards	96,406,163	52,397,241
SSS and other contributions	9,443,160	16,691,813
Payable to land transportation office	8,786,820	8,335,196
Chattel mortgage payable	1,058,026	1,482,047
Miscellaneous payables	42,859,744	43,540,444
	₱8,520,016,520	₱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	₱422,352,390	₱467,690,179
Interest	194,384,878	263,673,518
Payable to suppliers	193,311,134	164,900,933
Salaries and wages	208,226,617	163,242,966
Security services	107,389,933	97,821,867
Professional fees	48,123,478	48,285,709
Accrued insurance	2,870,174	19,262,261
Others	249,127,892	175,427,255
	₱1,425,786,496	₱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.

23. 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 5.50% to 7.65%.

Movements in loans payable during the years ended December 31 follow:

	2025	2024
Balance at beginning of year	P5,635,000,000	P3,971,142,021
Availments	1,365,813,000	4,163,500,000
Payments	(1,096,500,000)	(2,499,642,021)
Balance at end of year	P5,904,313,000	P5,635,000,000

24. Long-term Debt

Movements in the account follow:

	2025	2024
Balance at beginning of year	P2,715,302,650	P2,741,811,250
Payments	(8,143,400)	(32,573,600)
Effect of deconsolidation of a subsidiary	—	—
Transaction costs	1,516,250	6,065,000
Balance at end of year	2,708,675,500	2,715,302,650
Less current portion	(24,430,200)	(32,573,600)
	P2,684,245,300	P2,682,729,050

IPO

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third-party local bank for P650.0 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 P380 million. The P300 million is subject to 5.5% fixed rate and the P80 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 P80 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, 2024 and 2023, 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.

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 March 31, 2025 and December 31, 2024, the Group was in compliance with all other loan covenants.

25. Contract Liabilities

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

	2025	2024
<i>Current</i>		
Education	₱425,185,030	₱1,290,123,387
Leasing	181,265,903	174,770,251
Total current contract liabilities	₱606,450,933	₱1,464,893,638
<i>Noncurrent</i>		
Leasing	₱121,213,116	₱112,250,951
Construction	—	—
Total noncurrent contract liabilities	121,213,116	112,250,951
Total contract liabilities	₱727,664,049	₱1,577,144,588

Contract liabilities from construction and infrastructure segment consist of down payments received in relation to construction contracts that will be recognized as revenue in the future as the Group satisfies its performance obligations.

Contract liabilities from education segment represent 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.

26. Insurance Contract Liabilities

This account consists of:

	2025	2024
Claims reported and IBNR	₱17,919,564,699	₱20,900,955,165
Legal policy reserves - net	15,617,832,297	15,595,935,363
Provision for unearned premiums	6,781,320,836	7,374,441,804
Insurance payables	2,407,452,786	3,084,837,963
Policy and contract claims payable	1,553,742,326	1,591,703,604
Premium deposit fund	481,267,653	430,762,610
Policyholders' dividends	404,975,829	387,707,123
Total insurance contract liabilities	45,166,156,426	49,366,343,632
Current contract liabilities	29,504,062,065	33,693,793,026
Noncurrent contract liabilities	₱15,662,094,361	₱15,672,550,606

27. Revenues

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended March 31:

	January 1 to March 31		
	2025	2024	2023
Revenue from sale of services	P6,539,359,145	P8,771,303,117	P495,618,191
Revenue from sale of goods	999,338,362	1,257,379,126	1,309,926,663
Revenue from school and related operations	1,478,319,348	1,275,725,238	1,073,364,032
	P9,017,016,855	P11,304,407,481	P2,878,908,886

Disaggregated Revenue Information

Disaggregation of Revenue from sale of services:

	January 1 to March 31		
	2025	2024	2023
Financial services	P5,943,980,727	P8,255,457,609	P-
Leasing services	220,112,495	181,245,667	183,757,453
Automotive services	202,221,620	185,923,205	189,419,546
Admin and management services	117,724,570	98,784,257	74,802,844
Death care services	43,851,555	36,551,626	35,340,079
Security services	11,468,178	13,340,753	12,298,268
	P6,539,359,145	P8,771,303,117	P495,618,190

Disaggregation of Revenue from insurance and financial services:

	January 1 to March 31		
	2025	2024	2023
Net premiums earned	P5,323,030,368	P4,588,987,197	P-
Net investment income	(38,830,743)	3,044,951,879	-
Commission income	138,735,445	140,264,022	-
Fee Income	389,089,197	376,552,501	-
Trust income	131,956,460	104,702,010	-
	P5,943,980,727	P8,255,457,609	P-

Disaggregation of Revenue from sale of goods:

	January 1 to March 31		
	2025	2024	2023
Merchandise sales			
Vehicle units	P920,586,978	P1,185,691,057	P1,230,685,711
Parts and Accessories	74,212,686	69,867,013	65,477,445
Food and Beverage	4,538,698	1,821,056	13,763,507
	P999,338,362	P1,257,379,126	P1,309,926,663

Disaggregation of Revenue from school and related operations:

	January 1 to March 31		
	2025	2024	2023
Tuition and other matriculation fees	P1,434,304,074	P1,236,514,124	P1,042,074,032
Other student-related income	44,015,274	39,211,114	31,290,000
	P1,478,319,348	P1,275,725,238	P1,073,364,032

28. Cost of Sales and Services

This account consists of:

	January 1 to March 31		
	2025	2024	2023
Cost of merchandise sold	P968,230,398	P1,231,764,754	P1,249,891,592
Cost of services	4,719,564,949	7,035,366,325	211,092,301
Cost of school and related operations	887,589,438	733,156,267	575,797,412
	P6,575,384,785	P9,000,287,346	P2,036,781,305

Details of the Cost of Merchandise sold follows:

	January 1 to March 31		
	2025	2024	2023
Inventory, beginning	P 532,627,643	P418,870,257	P420,729,352
Purchases	882,474,719	1,345,522,140	1,240,703,586
Total goods available for sale	1,415,102,362	1,764,392,397	1,661,432,938
Less inventory end	446,871,964	532,627,643	418,870,257
Cost of inventories sold	968,230,398	1,231,764,754	1,242,562,681
Others	—	—	7,328,911
	P968,230,398	P1,231,764,754	P1,249,891,592

Details of the Cost of School and Related Operations follows:

	January 1 to March 31		
	2025	2024	2023
Personnel expenses	P417,758,245	P354,537,502	P279,481,062
Depreciation and amortization (Notes 13 and 14)	117,979,295	98,894,868	87,364,312
IT expense - software license	62,328,468	34,062,728	28,453,149
Student-related expenses	54,520,027	45,827,445	33,711,402
Management and other professional fees	51,665,603	57,843,570	33,609,247
Periodicals	41,331,650	40,171,661	33,929,556
Utilities	33,979,124	33,620,069	27,313,206
Advertising	29,178,182	11,680,919	4,794,839
Accreditation cost	13,241,106	9,470,544	8,376,121
Research and development fund	12,959,244	8,525,681	7,934,313
Tools and library books (Note 13)	12,286,464	11,769,952	6,652,954
Repairs and maintenance	11,760,987	11,785,804	6,693,635
Insurance	5,699,431	3,557,541	3,426,995
Seminar	4,744,118	3,449,951	942,615
Transportation and travel	1,934,694	1,685,731	2,164,413
Office supplies	1,420,788	1,990,999	1,223,797
Rent	991,022	1,578,306	1,740,291
Taxes and licenses	917,140	687,590	6,023,760
Entertainment, amusement and recreation	372,611	506,085	434,825
Miscellaneous	12,521,239	1,509,321	1,526,920
	P887,589,438	P733,156,267	P575,797,412

Details of the Cost of Manpower and Services:

January 1 to March 31			
	2025	2024	2023
Cost of insurance service	P4,498,045,551	P6,833,862,117	P-
Materials, parts and accessories	86,142,680	58,534,943	60,821,779
Depreciation and amortization	30,823,529	26,824,947	25,678,741
Personnel expenses	27,906,457	41,888,255	23,608,144
Others	76,646,732	74,256,063	100,983,637
	P4,719,564,949	P7,035,366,325	P211,092,301

Details of the Insurance Costs:

January 1 to March 31			
	2025	2024	2023
Net insurance contract benefits and claims	P3,430,384,408	P 5,879,363,269	P-
Commission expense	813,896,738	750,110,462	-
Other underwriting expense	113,474,782	106,981,655	-
Other Expenses	140,289,623	97,406,731	-
	P4,498,045,551	P6,833,862,117	P-

29. Other Income - Net

This account consists of:

January to March 31			
	2025	2024	2023
Interest income	P37,107,472	P33,836,071	P35,437,934
Space and car rental	13,302,370	3,307,559	4,365,013
Clinic charges	5,411,908	4,855,202	-
Rental income	5,396,766	6,168,401	4,411,296
Gain on sale of assets	4,550,723	275,909	-
Gain (Loss) - FVTPL Investments	571,407	153,773	234,499
Dividend income	337,285	277,665	51,700
Remeasurement gain (loss)	-	(245,052,123)	-
Foreign exchange gain (loss)	(797,902)	372,967	(2,234,429)
Miscellaneous	22,822,036	8,684,823	7,882,922
	P88,702,065	(P187,119,753)	P50,148,935

30. General and Administrative Expenses

This account consists of:

	January 1 to March 31		
	2025	2024	2023
Personnel expenses	P492,487,167	P454,524,212	P132,172,500
Security, janitorial and other services	132,286,805	110,916,936	8,535,525
Depreciation and amortization	96,891,871	82,387,189	50,267,133
Taxes and licenses	84,005,065	108,381,866	40,062,817
Office expenses	58,104,343	46,074,852	17,405,551
Rent, light and water	50,568,473	49,452,825	15,951,732
Professional fees	40,988,273	45,945,062	2,513,314
Advertising and promotions	48,018,782	61,302,203	31,539,260
Repairs and maintenance	34,712,215	25,486,774	6,179,625
Provision for probable losses	33,951,812	15,613,903	5,600,709
Seminars	28,039,572	23,232,949	1,123,025
Transportation and travel	27,828,014	28,741,855	5,087,194
Selling expenses	24,379,147	14,885,560	4,547,744
Commissions	12,454,811	10,912,058	10,649,074
Insurance	9,670,672	8,824,985	4,503,542
Management and other fees	8,556,938	22,101,857	24,027,291
Entertainment, amusement and recreation	2,453,017	9,676,603	4,327,336
Provision for inventory obsolescence	-	1,400,000	-
Donations and contributions	(4,278,360)	3,635,178	-
Miscellaneous	19,778,756	27,402,116	52,070,600
	P1,200,897,373	P1,150,898,983	P416,563,972

Miscellaneous expense includes dues and subscriptions, periodicals, training and seminar, bank charges, legal and notarial services and other admin charges.

31. Depreciation and Amortization

This account consists of depreciation and amortization from continued operation as follows:

	January 1 to March 31		
	2025	2024	2023
Cost of sales and services			
Manpower and other services	P30,823,529	P26,824,947	P25,678,741
School and related operations	117,979,295	98,894,868	87,364,312
	148,802,824	125,719,815	113,043,053
General and administrative expenses	96,891,871	126,919,408	50,267,133
	P245,694,695	P252,639,223	P163,310,186

32. Interest and Finance Charges

The Group's interest and finance charges consist of interest on the following:

	January 1 to March 31		
	2025	2024	2023
Loans payable (short-term)	P69,362,632	P74,310,447	P77,402,748
Long-term debt	64,921,081	38,048,487	64,090,322
Lease liabilities	12,225,036	5,393,103	9,706,655
Others	82,937	—	—
	P146,591,686	P117,752,037	P151,199,725

33. 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	P646,848,847	P245,565,537	(P8,018,156)
Less dividends attributable to preferred shares	—	—	99,683,625
Net income applicable to common shares	646,848,847	245,565,537	(107,701,781)
Divided by the weighted average number of common shares	1,469,302,230	1,469,302,230	776,465,281
Basic earnings per share	P0.4402	P0.1671	(P0.1387)

Diluted earnings (loss) per share

	2025	2024	2023
Net income applicable to common share for basic earnings per share	646,848,847	P245,565,537	(P107,701,781)
Net income applicable to common stockholders for diluted earnings per share	646,848,847	245,565,537	(107,701,781)
Weighted average number of shares of common stock	1,469,302,230	1,469,302,230	776,465,281
Weighted average number of shares of common stock for diluted earnings per share	1,469,302,230	1,469,302,230	776,465,281
Diluted earnings per share	P0.4402	P0.1671	(P0.1387)

34. 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 of March 31, 2025 and December 31, 2024.

Common stock

The authorized common stock is 1,470,000,000 shares at ₱1.50 par value.

A reconciliation of the number of common shares outstanding as at March 31, 2025, December 31, 2024 and 2023 follows:

	2025		2024		2023	
	Amount	Shares	Amount	Shares	Amount	Shares
Balance at beginning of year	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281
Issuance of new shares	1,039,255,421	692,836,949	1,039,255,421	692,836,949	1,039,255,421	692,836,949
Balance at end of year	2,204,403,350	1,469,602,230	2,204,403,350	1,469,602,230	2,204,403,350	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 May 24, 2013, the Parent Company repurchased 300,000 shares held as treasury stock at ₱8.69 per share for ₱2.61 million.

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.

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 367 as of March 31, 2025 and December 31, 2024, respectively.

35. Retained Earnings

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 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 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.

Retained earnings include ₱1,529.85 million as of March 31, 2025 and December 31, 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 ₱5,474.49 million and ₱5,436.24 million as of March 31, 2025 and December 31, 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 ₱8,685.56 million and ₱8,076.96 million as of March 31, 2025 and December 31, 2024, respectively, not declared as dividends to the Group. Accordingly, these are not available for dividend declaration.

36. **Non-controlling Interests**

Material Partly-Owned Subsidiaries

MEI

On April 25, 2023, the Board of House of Investments Inc. approved the authority to enter in a Share Swap Agreement with Pan Malayan Management & Investment Corporation (PMMIC), whereby HI will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MICO Equities, Inc (MEI which is equivalent to 77.33% of MEI.

SLGFI

On April 25, 2023, the Board of House of Investments Inc. approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc, whereby HI will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in Sunlife Grepa Financial Inc. (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.

37. 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.

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.

The tables below set out the Operating Segment Information as of March 31, 2025 and 2024, and December 31, 2024:

For the period ended, March 31, 2025							
PHP in '000s	Automotive*	Education	Property & property services*	Financial services	Other services	Conso Adj	Consolidated
Revenue	1,197,021	1,478,319	303,883	5,943,981	165,331	(71,518)	9,017,017
Net Income (Loss)	43,903	326,261	27,781	562,689	136,159	(8,502)	1,088,291
Segment Assets	2,009,040	21,779,031	17,173,959	114,823,031	26,223,087	(15,904,613)	166,103,534
Segment Liabilities	1,743,382	4,720,849	8,701,025	94,345,739	1,164,647	987,132	111,662,775
Investments in associates	-	-	6,750	-	22,069,987	(17,015,076)	5,061,661
Investment properties	-	-	10,419,724	154,763	1,600,957	197,766	12,373,210

For the period ended, March 31, 2024 and December 31, 2024							
PHP in '000s	Automotive	Education	Property & property services	Financial services	Other services	Conso Adj	Consolidated
Revenue	1,467,974	1,275,725	290,022	8,243,225	100,961	(73,499)	11,304,407
Net Income (Loss)	(124,108)	292,151	75,921	609,754	267,768	(444,925)	676,561
Segment Assets	1,892,233	22,217,983	17,528,478	115,823,702	26,136,019	(16,001,857)	167,596,558
Segment Liabilities	1,626,657	5,486,063	9,073,758	96,471,004	1,119,837	945,330	114,722,649
Investments in associates	-	-	-	-	-	-	-
Investment properties	-	-	6,750	1,076,092	22,029,987	(18,238,519)	4,874,310
	-	-	10,443,680	152,761	1,601,177	197,766	12,395,384

* Includes equity earnings/losses of the Parent Company in the said sector.

38. 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 Company 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 Company 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 Company 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 Company 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 Company, 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 Company'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 Company'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	1,283	P318,902,377,520	1,218	P280,571,195,367
Whole life	48,841	27,851,624,523	47,357	25,512,854,241
Endowment	10,692	11,116,700,303	10,486	10,882,309,210
Term	15,817	23,622,984,535	15,530	21,340,739,928
Accident and health	621	217,495,264,327	554	224,393,544,153
Variable unit-linked	115,669	136,362,940,263	112,752	131,444,789,433
	192,923	P735,351,891,472	187,897	P694,145,432,333

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 Company 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 Company'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 Company'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 Company's duty to treat its policyholders fairly and meet policyholders' reasonable expectations.

Non-life Insurance Contracts

The principal risk the Group faces under 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.

	2025		
	Gross	Reinsurers' Share	Net
Fire	₱15,145,872,274	₱12,100,137,829	₱3,045,734,445
Engineering	617,403,657	255,213,716	362,189,941
Marine cargo	751,862,464	214,949,834	536,912,630
Motor	525,625,900	516,533,449	8,891,850
Miscellaneous casualty	638,645,962	314,561,881	324,084,081
Bonds	39,383,339	16,301,265	23,082,074
Others	200,771,103	8,430,953	192,340,150
	₱17,919,564,699	₱13,426,329,528	₱ 4,493,235,171

	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
	<u>₱18,118,516,031</u>	<u>₱13,693,992,453</u>	<u>₱4,424,523,578</u>

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 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.

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 March 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	P5,559,408,757	P–	P–	P–	P5,559,408,757
Receivables	11,100,668,670	–	–	–	11,100,668,670
Loans receivables	1,404,700,148	343,161,317	223,300,001	–	1,971,161,466
Equity investments at fair value through other comprehensive income (FVOCI)	7,543,030,039	1,383,714,069	15,674,813,613	1,076,589,348	25,678,147,069
Financial assets at fair value through profit or loss (FVPL)	1,459,963,471	80,964,318	5,979,352,442	748,045,067	8,268,325,297
Investment securities at amortized cost	104,605,977	488,598,938	3,775,967,713	–	4,369,172,628
	P27,172,377,062	P2,296,438,642	P25,653,433,769	P1,824,634,415	P56,946,883,887
Financial Liabilities					
Accounts Payable and other current liabilities	P6,754,814,201	P–	P–	P–	P6,754,814,201
Insurance contract liabilities	44,236,676,622	713,163,824	216,315,980	–	45,166,156,426
Loans payable	5,904,313,000	–	–	–	5,904,313,000
Long-term loans	24,430,200	2,684,245,300	–	–	2,708,675,500
Lease liabilities	207,931,786	489,145,641	–	–	697,077,427
Due to related parties	162,219,100	–	–	–	162,219,100
	P57,290,384,909	P3,886,554,765	P216,315,980	P–	P61,393,255,654

	2024				
	Up to a year	1-5 years	More than 5 years	No maturity date	Total
Financial Assets					
Cash and cash equivalents	P8,293,005,389	P–	P–	P–	P8,293,005,389
Receivables	10,480,865,199	528,400,411	–	–	11,009,265,610
Loans receivables	1,447,986,640	398,297,719	213,000,000	–	2,059,584,359
Equity investments at fair value through other comprehensive income (FVOCI)	3,176,893,190	1,456,775,543	15,789,784,308	5,126,689,894	25,550,142,395
Financial assets at fair value through profit or loss (FVPL)	844,927,908	139,958,238	5,903,708,519	1,014,796,075	7,903,390,740
Investment securities at amortized cost	259,524,399	288,745,548	3,831,032,192	–	4,379,302,139
	P24,503,202,725	P2,812,177,459	P25,737,825,019	P6,141,485,969	P59,194,691,172

Financial Liabilities

Accounts Payable and other current liabilities	P9,883,117,824	P-	P-	P-	P9,883,117,824
Insurance contract liabilities	31,956,515,864	15,747,336,991	-	-	47,703,852,855
Loans payable	5,635,000,000	-	-	-	5,635,000,000
Long-term loans	32,573,600	2,682,729,050	-	-	2,715,302,650
Lease liabilities	167,708,899	420,407,428	142,279,964	-	730,396,291
Due to related parties	148,011,591	-	-	-	148,011,591
	P37,939,809,954	P18,850,473,469	P142,279,964	P-	P59,194,691,172

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.

c. *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 available-for-sale securities assets 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 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.

d. *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 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 Group's financial assets as of December 31:

	2025				
	Neither Past Due Nor Impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at fair value through profit or loss	P6,486,457,344	P90,755,012	P–	P–	P6,577,212,356
Financial assets at fair value through other comprehensive income	25,678,147,069	1,159,397,800	–	–	26,837,544,869
Investment securities at amortized cost	4,369,172,628	–	–	–	4,369,172,628
Cash and cash equivalents	5,557,815,885	1,593,700	–	–	5,559,409,171
Receivables	5,103,915,768	3,169,179,692	2,827,573,210	624,653,776	11,725,322,446
Loans receivables	1,911,146,202	60,015,264	–	11,946,016	1,983,107,482
	P49,106,654,896	P4,480,941,468	P2,827,573,210	P636,599,792	P57,051,768,952

	2024				
	Neither Past Due Nor Impaired		Past due but not impaired	Impaired	Total
	High Grade	Standard Grade			
Financial assets at fair value through profit or loss	P7,775,482,375	P127,908,365	P–	P–	P7,903,390,740
Financial assets at fair value through other comprehensive income	24,728,802,760	821,340,175	–	–	25,550,142,935
Investment securities at amortized cost	4,379,302,139	–	–	–	4,379,302,139
Cash and cash equivalents	8,291,525,689	–	–	–	8,293,005,389
Receivables	9,010,855,919	–	683,993,143	1,314,416,548	11,009,265,610
Loans receivables	2,022,133,315	34,302,557	–	3,148,487	2,059,584,359
	P55,858,388,764	P985,030,797	P683,993,143	P1,667,278,468	P59,194,691,172

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.

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.

Financial Instruments

Due to the short-term nature of cash and cash equivalents, other receivables, accounts payable and other liabilities, loans payable, long-term loans, lease liabilities and due to related parties their carrying values approximate their fair values at reporting dates.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON
REVISED SRC RULE 68
MARCH 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 March 31, 2025.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>	
Unquoted debt securities	6,138,973,248
Mutual funds	751,224,721
Seed capital in variable unit-linked segregated funds	536,227,212
Listed equity shares	494,416,020
Private debt securities	245,989,835
Government securities	101,494,261
Financial assets at fair value through profit or loss (FVTPL)	8,268,325,297
<u>Financial assets at fair value through other comprehensive income (FVOCI)</u>	
Quoted Equity Shares	4,210,057,362
Unquoted Equity Shares	2,042,386,721
Government debt securities	17,291,918,266
Private debt securities	2,133,784,720
Financial assets at FVOCI	25,678,147,069
<u>Investment securities at amortized cost</u>	
Government debt securities	4,108,188,650
Private debt securities	260,983,977
Investment securities at amortized cost	4,369,172,628

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

As at March 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 March 31, 2025:

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
<i>Honda Cars, Inc.</i>					
Due from affiliates	-	21,317,824	(1,894,978)		19,422,845
	-	21,317,824	(1,894,978)	-	19,422,845
<i>Landev Corporation</i>					
Due from affiliates	1,469,703	1,209,869	(2,237,178)		442,393
Dividends receivable	32,000,000	-	-		32,000,000
	33,469,703	1,209,869	(2,237,178)	-	32,442,393
<i>La Funeraria Paz Sucat, Inc.</i>					
Due from affiliates	1,029,997	570,395	(768,453)		831,938
	1,029,997	570,395	(768,453)	-	831,938
<i>Greyhounds Security and Investigation Agency Corporation</i>					
Due from affiliates	822,125	30,774	(6,539)		846,360
Dividends receivable	-				-
	822,125	30,774	(6,539)	-	846,360
<i>Investment Managers, Inc.</i>					
Due from affiliates	161,142	480,793	(160,223)		481,712
Dividend receivable	6,000,000	-	-		6,000,000
	6,161,142	480,793	(160,223)	-	6,481,712
<i>ATYC, Inc.</i>					
Due from affiliates	3,315,883	2,631,891	(3,835,461)		2,112,312
	3,315,883	2,631,891	(3,835,461)	-	2,112,312
<i>San Lorenzo Ruiz Investment Holdings and Services, Inc.</i>					
Due from affiliates	3,013,079	2,080,089	(5,092,662)		506
	3,013,079	2,080,089	(5,092,662)	-	506
<i>iPeople, inc. and subsidiaries</i>					
Due from affiliates	5,582,309	25,602,774	(21,957,649)		9,227,434
Dividends receivable	-				-
	5,582,309	25,602,774	(21,957,649)	-	9,227,434
<i>MICO Equities, Inc. and subsidiaries</i>					
Due from affiliates	1,600,000	519,643	(1,773,214)		346,429
	1,600,000	519,643	(1,773,214)	-	346,429
<i>RCBC Trust Corporation</i>					
Due from affiliates	3,830,400	940,500	-		4,770,900
	3,830,400	940,500	-	-	4,770,900
	58,824,638	55,384,550	(37,726,359)	-	76,482,829

These receivables are non-interest bearing and are expected to be settled within the next twelve months.

Schedule D. Intangible Asset - Other Noncurrent Assets

As at March 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	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	-	(557,072)	-	2,413,976
Computer software	41,129,138	3,293,519	(2,409,390)	-	42,013,267
	667,952,450	3,293,519	(2,966,462)	-	668,279,507

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	2,422,967,500	-	2,422,967,500
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	285,708,000	24,430,200	261,277,800
	2,708,675,500	24,430,200	2,684,245,300

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)

As at March 31, 2025, the Group has Peso-denominated promissory note with a related party amounting to P2.4 billion that is payable on or before September 30, 2025 together with the annual interest of 6.04% due every anniversary of the note starting September 30, 2023 until the note is fully paid.

Schedule G. Guarantees of Securities of Other Issuers

There are no guarantees of securities of other issuing entities by the Group as at March 31, 2025.

Schedule H. Capital Stock

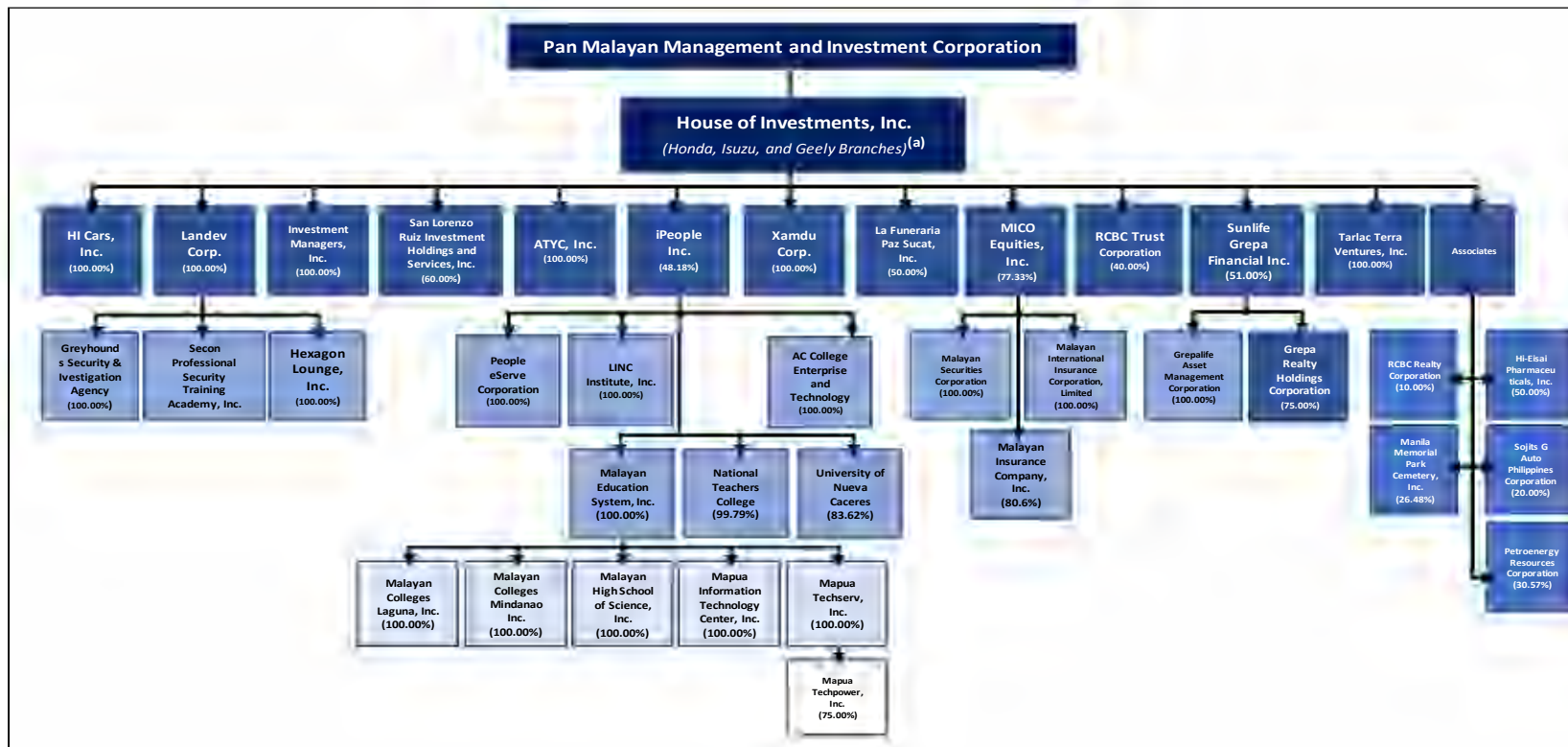
Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares held by related parties	Directors, Officers and Employees	Others
Common shares	1,470,000,000	1,469,302,230	1,267,492,501	2,853,400	198,956,329
Preferred shares	2,500,000,000	—	—	—	—

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of March 31, 2025:



(a) Effective July 1, 2024, those dealerships had been consolidated to HI Cars, Inc.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

AGING OF ACCOUNTS RECEIVABLE

FOR THE QUARTER ENDED MARCH 31, 2025

		No. of days due		
	Total	0 - 30 days	31 - 60 days	over 60 days
Insurance	₱8,457,091,375	5,277,669,732	143,353,227	3,036,068,416
Education	1,634,096,268	1,019,762,000	27,699,000	586,635,268
Automotive	531,431,029	195,656,000	74,727,000	261,048,029
Other services	361,581,088	225,645,613	6,129,036	129,806,440
Other receivables	741,122,686	462,499,528	12,562,514	266,060,644
Total	11,725,322,446	7,181,232,873	264,470,777	4,279,618,796
Less: Allowance for doubtful accounts	(624,653,776)	(11,594,000)	-	(613,059,776)
	₱11,100,668,670	₱7,169,638,873	₱264,470,777	₱3,666,559,021

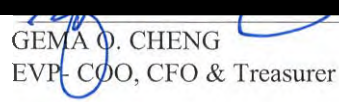
SIGNATURES


Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on

MAY 14, 2025

By:


LORENZO V. TAN
President & CEO


GEMA O. CHENG
EVP- COO, CFO & Treasurer


MARIA TERESA T. BAUTISTA
FVP -Controller

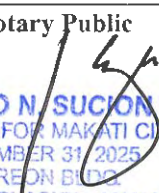

ATTY. SAMUEL V. TORRES
Corporate Secretary

MAY 14 2025

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2025 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	DOCUMENT NO.	DATE OF ISSUE	PLACE OF ISSUE
Lorenzo V. Tan	P9150965B	03-10-2022	Manila
Gema O. Cheng	DL#N06-84-036923	12-08-2022	Mandaluyong
Maria Teresa T. Bautista	DL#06-92-094899	11-23-2022	Makati
Atty. Samuel V. Torres	P2022842C	10-14-2022	Manila

Notary Public


ATTY. JOSELINO N. SUCION CPA
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2025
U-203 CARREON BLDG.
2746 ZENAIDA ST., POBLACION, MAKATI CITY
IBP NO. 495649/01/02/2025
PTR NO. 10465757/01/02/2025
MCLE COMPLIANCE NO. VII-0915877/04-14-2028
ROLL NO. R0799
APPOINTMENT NO. M-012

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Series of 2025.