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

CONSOLIDATED FINANCIAL STATEMENTS

SUPPLEMENTARY SCHEDULES

HOUSE OF
INVESTMENTS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

HELEN Y. DEE
Chairman of the Board

LORENZO V. TAN
President and Chief Executive Officer

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

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

Signed this 13th day of April 2026

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Book No. 24
Series of 2026

ATTY. BERNARDINO O. LAUTILLO
Notary Public in and for Makati City
APPT. NO. M-028 UNTIL DEC 31, 2027
ROLL NO. 77752 / MCLE Compliance No. VIII-0002331
UNTIL APR. 14, 2028
IBP OR. NO. 583936 JAN. 2, 2026 / MAKATI CHAPTER
PTR NO. 10765532 – JAN. 5, 2026
UNIT 2-B2 TRANS-PHIL HOUSE, 1177 DON CHINO ROCES AVE., COR.
BAGTIKAN ST., SAN ANTONIO, MAKATI

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Estimation of Insurance Contract Liabilities

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

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

Audit Response

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner
CPA Certificate No. 114462
Tax Identification No. 225-158-629
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 114462-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028
PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026

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

	December 31	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	**₱7,892,968,769**	₱8,293,005,389
Receivables (Note 9)	**10,476,842,735**	11,262,666,490
Segregated fund assets (Note 11)	**49,029,028,334**	42,142,462,815
Reinsurance assets (Note 12)	**11,354,431,818**	18,355,961,194
Inventories (Note 13)	**458,332,319**	398,314,089
Loans receivable (Note 14)	**2,538,743,453**	2,059,584,359
Receivables from related parties (Note 29)	**4,594,942**	4,534,187
Prepaid expenses and other current assets (Note 15)	**1,023,003,262**	1,068,902,272
Total Current Assets	**82,777,945,632**	83,585,430,795
Noncurrent Assets		
Financial assets at fair value through profit or loss (FVTPL) (Note 16)	**10,317,194,692**	7,903,390,740
Equity investments at fair value through other comprehensive income (FVOCI) (Note 16)	**26,990,433,313**	25,550,142,935
Investment securities at amortized cost (Note 16)	**5,282,084,420**	4,379,302,139
Investments in associates and joint ventures (Note 18)	**5,157,536,653**	4,874,309,874
Property and equipment (Note 20)		
At revalued amount	**16,051,401,089**	15,015,152,509
At cost	**11,003,008,848**	9,037,246,462
Investment properties (Note 19)	**12,294,404,802**	12,395,384,044
Deferred tax assets - net (Note 37)	**1,201,402,351**	1,027,522,831
Right-of-use assets (Note 22)	**731,662,759**	610,840,289
Goodwill (Note 23)	**176,176,264**	176,176,264
Retirement assets (Note 36)	**126,011,710**	147,337,007
Deferred acquisition costs (Note 21)	**500,932,659**	527,720,153
Other noncurrent assets (Note 24)	**2,970,265,946**	2,413,987,080
Total Noncurrent Assets	**92,802,515,506**	84,058,512,327
Total Assets	**₱175,580,461,138**	₱167,643,943,122
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 25)	**₱8,061,036,339**	₱9,883,117,824
Loans payable (Note 26)	**10,398,665,000**	5,635,000,000
Segregated fund liabilities (Note 11)	**49,029,028,334**	42,142,462,815
Current portion of long-term debt (Note 27)	**32,573,600**	32,573,600
Current portion of contract liabilities (Note 10)	**1,469,268,526**	1,464,893,638
Insurance contract liabilities - current portion (Note 28)	**26,060,567,140**	31,956,515,864
Current portion of lease liabilities (Note 22)	**150,345,529**	167,708,899
Income tax payable	**236,197,636**	139,014,263
Due to related parties (Note 29)	**153,973,334**	148,011,591
Total Current Liabilities	**95,591,655,438**	91,569,298,494

(Forward)

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

See accompanying Notes to Consolidated Financial Statements.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

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

See accompanying Notes to Consolidated Financial Statements.

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

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

See accompanying Notes to Consolidated Financial Statements.

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023

	Attributable to Equity Holders of the Parent Company												
	Capital stock (Note 39	Additional paid-in capital	Equity reserve on acquisition of non-controlling interest	Revaluation increment on land - net (Note 20)	Cumulative translation adjustments (Notes 18)	Fair Value reserve of equity investments at FVOCI (Note 16)	Remeasurement on legal policy reserves	Remeasurement loss on retirement (Note 36)	Unappropriated Retained Earnings (Note 40)	Appropriated Retained Earnings (Note 40)	Subtotal	Non-controlling interests (Note 39)	Total
As at January 1, 2025	**₱2,201,795,746**	**₱14,808,241,606**	**(₱806,224,306)**	**₱3,779,148,385**	**₱47,177,851**	**(₱352,644,065)**	**(₱13,652,322)**	**(₱59,802,377)**	**₱11,813,200,762**	**₱1,700,000,000**	**₱33,117,241,280**	**₱19,756,668,041**	**₱52,873,909,321**
Net income	**–**	**–**	**–**						**2,142,208,747**	**–**	**2,142,208,747**	**1,536,374,248**	**3,678,582,995**
Other comprehensive income	**–**	**–**	**–**	**472,618,167**	**4,892,818**	**483,224,127**	**47,723,494**	**(38,745,478)**	**–**	**–**	**969,713,128**	**895,303,584**	**1,865,016,712**
Total comprehensive income	**–**	**–**	**–**	**472,618,167**	**4,892,818**	**483,224,127**	**47,723,494**	**(38,745,478)**	**2,142,208,747**	**–**	**3,111,921,875**	**2,431,677,832**	**5,543,599,707**
Reclassification of remeasurement on retirement liabilities to retained earnings	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**10,469,410**	**(10,469,410)**	**–**	**–**	**–**	**–**
Sale of FVOCI adjustments	**–**	**–**	**–**	**–**	**–**	**(56,481,570)**	**–**	**–**	**56,481,570**	**–**	**–**	**–**	**–**
Dividend declaration (Note 40)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(264,474,402)**	**–**	**(264,474,402)**	**(545,279,530)**	**(809,753,932)**
Declaration of dividend by subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(17,095,000)**	**–**	**(17,095,000)**	**–**	**(17,095,000)**
As at December 31, 2025	**₱2,201,795,746**	**₱14,808,241,606**	**(₱806,224,306)**	**₱4,251,766,552**	**₱52,070,669**	**₱74,098,492**	**₱34,071,172**	**(₱88,078,445)**	**₱13,719,852,267**	**₱1,700,000,000**	**₱35,947,593,753**	**₱21,643,066,343**	**₱57,590,660,096**
As at January 1, 2024	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,912
Net income	–	–	–	–	–	–	–	–	1,375,145,646	–	1,375,145,646	1,303,544,675	2,678,690,321
Other comprehensive income	–	–	–	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	–	–	85,258,902	384,605,296	469,864,198
Total comprehensive income	–	–	–	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	1,375,145,646	–	1,460,404,548	1,688,149,971	3,148,554,519
Acquisition of non-controlling interest	–	–	61,852,796	82,072,889	–	–	–	(593,241)	–	–	143,332,444	(143,332,444)	–
Reclassification of investment in associates to FVOCI	–	–	–	(75,107,935)	(13,057,311)	80,158,119	–	32,203,598	(24,196,471)	–	–	–	–
Sale of FVOCI adjustments	–	–	–	–	–	(60,859,563)	–	–	60,859,563	–	–	–	–
Dividend declaration (Note 40)	–	–	–	–	–	–	–	–	(73,465,110)	–	(73,465,110)	–	(73,465,110)
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	(415,800,000)	–	(415,800,000)	–	(415,800,000)
Release of appropriation	–	–	–	–	–	–	–	–	3,500,000,000	(3,500,000,000)	–	–	–
As at December 31, 2024	₱2,201,795,746	₱14,808,241,606	(₱806,224,306)	₱3,779,148,385	₱47,177,851	(₱352,644,065)	(₱13,652,322)	(₱59,802,377)	₱11,813,200,762	₱1,700,000,000	₱33,117,241,280	₱19,756,668,041	₱52,873,909,321
As at January 1, 2023	₱1,162,540,326	₱154,578,328	₱1,932,007,449	₱2,218,473,182	₱352,101,517	₱111,000,523	₱–	(₱14,062,367)	₱4,944,402,862	₱7,505,355,000	₱18,366,396,820	₱17,497,986,435	₱35,864,383,255
Net income	–	–	–	–	–	–	–	–	440,794,487	–	440,794,487	174,810,431	615,604,918
Other comprehensive income	–	–	–	1,090,299,035	(3,276,506)	(96,260,600)	–	(47,249,261)	–	–	943,512,668	972,119,875	1,915,632,543
Total comprehensive income	–	–	–	1,090,299,035	(3,276,506)	(96,260,600)	–	(47,249,261)	440,794,487	–	1,384,307,155	1,146,930,306	2,531,237,461
Issuance of new shares	1,039,255,420	14,653,663,278	–	–	–	–	–	–	–	–	15,692,918,698	–	15,692,918,698
Acquisition of new subsidiary	–	–	(3,038,511,149)	–	–	–	–	–	–	–	(3,038,511,149)	8,521,039,293	5,482,528,144
Deconsolidation of subsidiary (Note 6)	–	–	238,426,598	(18,948,731)	(302,448,293)	(62,407,141)	–	42,930,656	3,244,283,049	(3,505,355,000)	(363,518,862)	(8,841,126,356)	(9,204,645,218)
Dividend declaration (Note 40)	–	–	–	–	–	–	–	–	(38,823,264)	–	(38,823,264)	–	(38,823,264)
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	–	–	–	(112,979,164)	(112,979,164)
Appropriation of retained earnings	–	–	–	–	–	–	–	–	(1,200,000,000)	1,200,000,000	–	–	–
As at December 31, 2023	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,912

See accompanying Notes to Consolidated Financial Statements.

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

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

(Forward)

	Years Ended December 31		
	2025	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in fair value through other comprehensive income investments	**₱–**	₱–	(₱213,650,000)
Changes in other noncurrent assets	**(787,912,856)**	(364,644,385)	(362,630,099)
Proceeds from sale/maturities of:			
Property and equipment (Note 20)	**210,675,689**	47,204,770	24,979,828
Investment properties (Note 19)	**–**	1,166,888	–
Financial assets at FVTPL, FVOCI and Amortized costs	**8,741,253,323**	2,751,998,137	–
Sale of controlling interest over EEI (Note 6)		–	(1,230,007,964)
Sale of investment in associate	**–**	337,378,019	1,075,555,630
Return of investments to ARCC	**–**	–	–
Dividends received	**147,230,775**	279,856,731	77,532,868
Acquisitions of:			
Computer software (Note 24)	**(24,435,127)**	(50,875,144)	(13,519,989)
Investments in associates and joint ventures	**(40,000,000)**	(174,432,352)	–
Financial assets at FVTPL, FVOCI and Amortized costs	**(12,505,118,551)**	(7,317,876,965)	
Property and equipment	**(2,932,617,603)**	(1,916,512,940)	(1,780,281,531)
Investments properties (Note 19)	**(589,251,345)**	(145,556,063)	(2,737,129,912)
Net cash flows used in investing activities	**(7,780,175,695)**	(6,552,293,304)	(5,159,151,169)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans payable	**14,827,525,000**	4,163,500,000	3,175,000,000
Long-term debt - net of transaction cost	**3,032,500**	6,065,000	2,138,533,920
Payments of:			
Loans payable (Note 26)	**(10,063,860,000)**	(2,499,642,021)	(4,020,857,979)
Long-term debt (Note 27)	**(2,457,057,350)**	(32,573,600)	(1,532,573,600)
Cash dividends paid	**(853,019,651)**	(813,119,616)	(38,823,264)
Movement in finance lease	**64,229,041**	(71,220,051)	(149,706,182)
Receipts (disbursements) from related party transactions	**5,900,988**	71,378,235	42,810,910
Cash from new subsidiary consolidated under pooling of interest method	**–**	–	4,168,135,133
Net capital change related to share swap transaction	**–**	–	(42,177,463)
Net cash flows provided by financing activities	**1,526,750,528**	824,387,947	3,740,341,475
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**109,519,760**	131,095,843	(3,458,048)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(400,036,620)**	1,659,957,584	2,580,448
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**8,293,005,389**	6,633,047,805	6,630,467,357
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱7,892,968,769**	₱8,293,005,389	₱6,633,047,805

See accompanying Notes to Consolidated Financial Statements.

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

Corporate Information

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

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

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

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

Authorization for Issuance of Consolidated Financial Statements

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

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

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

Statement of Compliance

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

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

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

(a) *On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEI Corporation (EEI) for a consideration of ₱1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signified loss of control over the subsidiary. This transaction resulted to deconsolidation of EEI and its subsidiaries. On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI which further reduced the holdings of the Parent Company to 21%.. As of December 31, 2023, 16.5% of interest in EEI was accounted for as investment in associate while the remaining 4.5% interest was accounted for asset held for sale which was subsequently sold on January 5, 2024. As of December 31, 2025 and 2024, the investment in EEI is accounted for as FVOCI.*

(b) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with PMMIC, whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI. As of this date PMMIC owns 77.33% of MEI.
(c) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc, whereby the Parent Company will issue 295,133,148 common shares common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and GRHC. As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.
(d) On December 29, 2023, the Parent Company invested ₱800.0 million for a 100% stake in Tarlac Terra Ventures, Inc.
(e) In April 2023, the Parent Company invested ₱40.0 million for a 40% stake in RCBC Trust Corporation.
(f) On December 13, 2024, the Parent Company purchased 19,000,000 additional IPO shares, increasing its ownership from 48.18% to 49.99%.
(g) With NTC and ACCET merger, percentage of ownership has increased from 99.79% to 99.82%
(h) In October 2025, SEC approved the merger of ACCET and NTC, at which point the NTC legally absorbed the Company

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

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

Specifically, the Parent Company controls an investee if and only if the Parent Company has:
a. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
b. exposure, or rights, to variable returns from its involvement with the investee; and
c. the ability to use its power over the investee to affect its returns.

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

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

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

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

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

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

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

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

3. Changes in Accounting Policies and Disclosures

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

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

- Amendments to PAS 21*, Lack of exchangeability*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

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

<u>Standards Issued But Not Yet Effective</u>
Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2026
- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

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

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

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

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

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

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

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

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

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

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

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

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

- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*
  The amendments to paragraph 37 of PAS 7 replaced the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'.

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

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

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

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

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

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

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

  The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

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

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

  The application of the standard is optional for eligible entities.

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

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

Deferred effectivity

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

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

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

Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

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

'Day1' difference

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

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15, *Revenue*.

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

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

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

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost (debt instruments)
The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

Revenue Recognition

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

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

(a) *Revenues within the scope of PFRS 15*
The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. When the Group provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

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

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

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

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

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

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

(b) *Revenue outside the scope of PFRS 15*
Premiums revenue – Life insurance business
Recurring premiums from life insurance contracts are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date from which the policy is effective. For regular premium contracts, revenue is recorded at the date when payments are due.

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

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

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

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

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

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

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

Contract balances arising from revenue with customer contracts

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

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

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

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

(c) Revenues within the scope of PFRS 9
Interest income on investment securities at amortized cost and FVOCI
For all investment securities measured at amortized cost and FVOCI, interest income is based on EIR. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

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

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

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

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

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

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

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

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

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

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

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

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

Value-Added Tax (VAT)
Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.
When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statement of financial position up to the extent of the recoverable amount.

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

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

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

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

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

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

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

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

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

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

Investment Properties

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

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

	Years
Building and building improvements	10-50
Other equipment	12.5

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property and Equipment - At Revalued Amount
Land is carried at its revalued amount. The appraised values used for revaluation were determined by an independent firm of appraisers.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Number of Years
Intellectual property rights	Indefinite
Student relationship	5-7

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Insurance contracts with fixed and guaranteed terms
Premiums are recognized as revenue when they become due from the policyholders which for single premium business, is the date on which the policy becomes effective.

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

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

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

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

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

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

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

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

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

Insurance Contract Liabilities - Nonlife
Insurance contract liabilities are recognized when contracts are entered into and premiums are charged.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As at reporting date, the assets and liabilities of subsidiaries whose functional currency is not the Philippines Peso are translated into the presentation currency of the Parent Company (the Philippine Peso) at the closing rate as at the reporting date, and the consolidated statements of income accounts are translated at monthly weighted average exchange rate. Likewise, the financials of the Group’s associate whose functional currency is not the Philippine Peso that is accounted for under equity method are translated to the presentation currency of the Parent Company in a similar manner. The exchange differences arising on the *translation* are taken directly to a separate component of equity under "Cumulative translation adjustments" account.

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

Retirement Cost

Defined benefit plan

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

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

Defined benefit costs comprise the following:
(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

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

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

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

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

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

Income Tax

Current tax

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

Deferred tax

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

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

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

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

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

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

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

Basic and Diluted Earnings Per Share (EPS)

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

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

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

Provisions

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

Contingencies

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

Stock Option Plan

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

Segment Reporting

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

Capital Stock

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

Treasury Shares

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

Equity Reserve

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

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

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

5. **Significant Accounting Judgments and Estimates**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Deconsolidation of a Subsidiary Arising from Loss of Control

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

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

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

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

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

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

Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceeds from the sale amounted to ₱1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

As of December 31, 2023, the Parent Company classified 4.5% interest in EEI as "Asset Held for Sale" and remeasured at ₱337.38 million. The transaction was accounted as noncash investing activity in the 2023 consolidated statement of cash flows. The asset was subsequently sold on January 5, 2024. On February 23, 2024, the Parent Company sold another 1.5% interest in EEI. As of December 31, 2025 and 2024, the Parent Company's investment in EEI is classified as financial assets at FVOCI.

7. Deconsolidated Operations

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

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

	2023*	2022
Deconsolidated Operations		
Revenue	5,181,488,858	₱14,426,606,321
Costs of sales and services	4,423,634,707	12,477,715,872
Gross profit	757,854,151	1,948,890,449
General and administrative expenses	(450,994,039)	(1,638,885,873)
Equity in net earnings (loss) of associates and joint ventures	(366,256,080)	(105,851,646)
Interest and finance charges	(214,496,734)	(378,389,078)
Other income	26,190,109	410,838,000

(Forward)

	2023*	2022
Income (loss) from deconsolidated operations before income tax	(₱247,702,593)	₱236,601,852
Provision for income tax	46,754,695	69,812,427
Net income (loss)	(294,457,288)	166,789,425
Loss on deconsolidation	(945,354,003)	–
Bargain purchase on fair valuation	1,087,235,418	–
Loss on subsequent sale of investment	(252,823,886)	–
Remeasurement loss	(20,907,379)	–
Net income (loss) from deconsolidated operations	(₱426,307,138)	₱166,789,425

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

The related cash flows arising from deconsolidated operations follow:

	2023	2022
Net cash used in operating activities	(₱759,439,533)	(₱727,804,083)
Net cash provided by (used in) investing activities	(1,165,527,776)	24,111,957
Net cash provided by (used in) financing activities	1,852,544,989	(3,868,888,367)

Income (loss) per share from deconsolidated operation:

	2023	2022
Net income (loss) attributable to equity holders of the Parent Company from deconsolidated operation	(₱426,307,138)	₱166,789,425
Weighted average number of common shares	1,469,302,230	776,465,281
Earnings (loss) per share - basic/diluted	(₱0.2901)	₱0.2148

8. Cash and Cash Equivalents

This account consists of:

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

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

Interest income from cash in banks and cash equivalents amounted to ₱186.82 million, ₱166.11 million and, ₱114.55 million for the years ended December 31, 2025, 2024 and 2023, respectively (see Note 32).

9. **Receivables**

This account consists of:

	2025	2024
Trade		
Financial services		
Insurance	**₱7,283,342,187**	₱8,097,428,126
Trust and asset management	**170,318,775**	157,917,844
Education	**2,293,899,247**	2,064,608,313
Car dealership	**332,329,049**	574,667,178
Other services	**209,543,352**	202,014,223
Other receivables		
Accrued interest receivable	**577,961,937**	523,125,965
Advances to officers and employees	**76,267,392**	65,440,999
Receivables from car plant	**33,998,805**	38,019,582
Accrued referral incentives	**24,999,108**	23,568,101
Dividends receivable (Note 22)	**12,852,436**	50,718,196
Receivable from customers	**6,542,271**	5,421,537
Advances to suppliers and contractors	**3,907,012**	1,019,664
Others	**64,025,033**	66,166,648
	11,089,986,604	11,870,116,376
Less allowance for impairment	**613,143,869**	607,449,886
	₱10,476,842,735	₱11,262,666,490

Trade Receivables

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

Insurance receivables

This account consists of:

	2025	2024
Due from policyholders, agents and brokers	**₱4,527,912,275**	₱5,631,795,447
Premiums due and uncollected	**464,552,640**	192,361,913
Due from ceding companies:		
Treaty	**1,427,115,867**	1,260,014,486
Facultative	**83,334,097**	143,325,147
Funds held by ceding companies - treaty	**347,989,070**	404,720,883
Reinsurance recoverable on paid losses	**432,438,238**	465,210,250
	7,283,342,187	8,097,428,126
Less allowance for impairment losses	**(80,969,316)**	(91,220,810)
	₱7,202,372,871	₱8,006,207,316

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

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

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

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

The following table shows aging information of insurance receivables:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. **Contract Assets and Liabilities**

Contract Assets

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

Contract Liabilities

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

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

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

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

11. **Segregated Fund Assets/Liabilities**

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

This fund consists of:

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

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

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

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

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

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

(Forward)

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

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

(Forward)

	2024												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Global Income	₱14,481,836	₱16,086,138	₱625,214,793	₱–	₱–	₱–	(₱5,605)	₱–	₱83,518	(₱24,673,785)	₱631,186,895	(₱1,503,031)	₱629,683,864
Global Growth Fund	29,156,912	–	1,913,248,336	–	–	–	569,987	–	–	(40,621,651)	1,902,353,584	(3,886,901)	1,898,466,683
Global Asset Builder - PriMO	–	–	-	–	–	738,195,851	(5,744,587)	–	–	–	732,451,264	–	732,451,264
Peso Asset Builder - PriMO	–	–	-	–	–	357,739,200	(477,750)	–	–	–	357,261,450	–	357,261,450
Dollar Money Market	1,966,432	–	38,232,287	–	–	–	(149)	–	–	(30,733,049)	9,465,521	(17,172)	9,448,349
Opportunity Tracker	8,209,384	133,864,633	187,233,236	–	–	–	1,312,228	–	1,663,050	(1,585,200)	330,697,331	(893,473)	329,803,858
Peso Global Growth	23,995,774	-	283,217,990	–	–	–	75,632	–	-	(29,170,000)	278,119,396	(20,340,710)	257,778,686
Peso Global Income	1,072,213	956,169	36,902,279	–	–	–	43,442	–	5,063	(23,607,500)	15,371,666	(94,666)	15,277,000
Peso Global Opportunity	3,169,179	1,020,034	113,777,816	–	–	–	54,353	–	13,864	(27,765,000)	90,270,246	(232,797)	90,037,449
Global Opportunity Payout	30,686,300	–	2,309,564,056	–	–	–	33,998,997	–	1,836,534	(25,547,244)	2,350,538,643	(4,131,919)	2,346,406,724
Peso Global Opportunity Payout	19,861,387	–	372,488,083	–	–	–	70,617	–	310,633	(26,365,000)	366,365,720	(703,663)	365,662,057
Peso Global Sustainability Growth Fund	1,621,375	–	39,589,656	–	–	–	99,586	–	–	(30,165,000)	11,145,617	(77,518)	11,068,099
Peso Asset Builder - Hybrid Income	–	–	–	–	–	2,300,825,450	85,300	–	–	(979,700)	2,299,931,050	–	2,299,931,050
Peso Asset Builder - Hybrid Income 2	–	–	–	–	–	1,174,635,300	178,050	–	–	(984,400)	1,173,828,950	–	1,173,828,950
Peso Asset Builder - Hybrid Income 3	–	–	–	–	–	829,124,280	98,750	–	–	(980,400)	828,242,630	–	828,242,630
Global Asset Builder - ProIncome	–	–	–	–	–	923,268,383	–	–	–	(1,102,410)	922,165,973	–	922,165,973
Global Asset Builder - ProIncome 3	–	–	–	–	–	249,774,941	(233,752)	–	–	(1,137,927)	248,403,262	–	248,403,262
Peso Asset Builder - ProIncome	–	–	–	–	–	708,168,000	3,550	–	–	(885,200)	707,286,350	–	707,286,350
Global Asset Builder - ProIncome 2	–	–	–	–	–	471,208,262	(224,149)	–	–	(1,142,323)	469,841,790	–	469,841,790
Peso Asset Builder - ProIncome 2	–	–	–	–	–	692,298,440	(2,046,166)	–	–	(901,900)	689,350,374	–	689,350,374
Peso Asset Builder - ProIncome 3	–	–	–	–	–	612,351,600	(493,300)	–	–	(910,500)	610,947,800	–	610,947,800
Peso Asset Builder - ProIncome 5	–	–	–	–	–	542,789,840	(3,326,739)	–	–	(906,100)	538,557,001	–	538,557,001
Peso Asset Builder - ProIncome 4	–	–	–	–	–	541,776,000	(5,357,920)	–	–	(902,900)	535,515,180	–	535,515,180
Peso Global Tech Payout	36,910,728	–	421,540,879	–	–	-	46,416,498	–	–	(1,053,700)	503,814,405	(584,593)	503,229,812
Peso Global Tech Growth	2,994,060	–	22,941,622	–	–	-	1,180,616	–	–	(1,053,700)	26,062,598	(35,533)	26,027,065
Global Asset Builder - ProIncome 4	–	–	–	–	–	467,897,909	(4,822,931)	–	–	(1,060,993)	462,013,985	–	462,013,985
Peso Asset Builder - ProIncome 6	–	–	–	–	–	780,174,000	(24,026,400)	–	–	(974,000)	755,173,600	–	755,173,600
	₱529,599,725	₱3,318,519,474	₱26,575,942,450	₱180,542,986	₱650,301,494	₱11,390,227,456	₱69,340,586	₱4,767,087	₱78,731,016	(₱545,856,657)	₱42,252,115,617	(₱109,652,802)	₱42,142,462,815

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Sun Grepa Peso Asset Builder - PriMO

Bloomberg ISIN	XS1934993764			
Maturity	4-Mar-26			
Valuation Date	31-Dec-25			
Note Provider	Goldman Sachs			
Remaining Time to Maturity	0.18	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*		
Option Value	0.00%			
Fixed Income Value	94.80%			

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

2. Sun Grepa Peso Asset Builder - Hybrid Income 1

Bloomberg ISIN	XS2617697359	
Maturity	29-Sep-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.02	*Duration since bond is not zero coupon*
Option Value	0.00%	
Fixed Income Value	104.75%	

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

3. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN	XS2617537233	
Maturity	27-Oct-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.07	*Duration since bond is not zero coupon*
Coupon	7.15	
Fixed Income Value	105.91%	

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

4. Sun Grepa Peso Asset Builder – Hybrid Income 3

Bloomberg ISIN	XS2692916302	
Maturity	21-Nov-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.10	Duration since bond is not zero coupon
Coupon	7.20%	
Fixed Income Value	106.19%	

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

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

Bloomberg ISIN	XS2692848208	
Maturity	22-Dec-30	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.12	*Duration since bond is not zero coupon*
Coupon	6.90%	
Fixed Income Value	98.48%	

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

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

Bloomberg ISIN	XS2762688724	
Maturity	10-May-31	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.42	*Duration since bond is not zero coupon*
Coupon	6.80%	
Fixed Income Value	98.11%	

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

7. Sun Grepa Global Asset Builder (ProIncome 3)

Bloomberg ISIN	XS2762770225	
Maturity	30-May-31	
Valuation Date	31-Dec-25	
Note Provider	Nomura	
Remaining Time to Maturity	4.48	*Duration since bond is not zero coupon*
Coupon	6.80	
Fixed Income Value	98.16%	

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

8. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2596306493	
Maturity	26-Mar-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.27	*Duration since bond is not zero coupon*
Coupon	6.90	
Fixed Income Value	91.26%	

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

9. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2647239495		
Maturity	30-Apr-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.38	*Duration since bond is not zero coupon*	
Coupon	6.90		
Fixed Income Value	90.60%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	90.60%	90.60%	90.60%
PHP NDS	-4.13%	-2.63%	-2.27%
ROP CDS	-2.33%	-0.54%	-0.19%
ING CDS	-4.93%	-3.87%	-1.85%
Fixed Income Level	79.21%	83.56%	86.29%
MTM Level	**79.21%**	**83.56%**	**86.29%**

10. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831036764		
Maturity	30-Jun-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.53	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	92.09%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	92.09%	92.09%	92.09%
PHP NDS	-4.27%	-2.72%	-2.35%
ROP CDS	-2.41%	-0.55%	-0.19%
ING CDS	-5.09%	-4.00%	-1.91%
Fixed Income Level	80.32%	84.81%	87.64%
MTM Level	**80.32%**	**84.81%**	**87.64%**

11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831035790		
Maturity	17-Jul-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.57	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	91.33%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	91.33%	91.33%	91.33%
PHP NDS	-4.31%	-2.74%	-2.37%
ROP CDS	-2.43%	-0.56%	-0.20%
ING CDS	-5.14%	-4.04%	-1.93%
Fixed Income Level	79.46%	83.99%	86.84%
MTM Level	**79.46%**	**83.99%**	**86.84%**

12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470		
Maturity	6-Sep-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.68	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	91.46%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	91.46%	91.46%	91.46%
PHP NDS	-4.41%	-2.81%	-2.43%
ROP CDS	-2.49%	-0.57%	-0.20%
ING CDS	-5.26%	-4.14%	-1.97%
Fixed Income Level	79.29%	83.94%	86.86%
MTM Level	**79.29%**	**83.94%**	**86.86%**

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911651334		
Maturity	20-Dec-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.75	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	92.25%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	92.25%	92.25%	92.25%
PHP NDS	-4.48%	-2.85%	-2.46%
ROP CDS	-2.53%	-0.58%	-0.20%
ING CDS	-5.34%	-4.20%	-2.00%
Fixed Income Level	79.90%	84.61%	87.58%
MTM Level	**79.90%**	**84.61%**	**87.58%**

14. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911646417		
Maturity	18-Feb-32		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.79	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	91.71%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	91.71%	91.71%	91.71%
PHP NDS	-4.51%	-2.87%	-2.48%
ROP CDS	-2.54%	-0.59%	-0.20%
ING CDS	-5.38%	-4.23%	-2.02%
Fixed Income Level	79.27%	84.02%	87.01%
MTM Level	**79.27%**	**84.02%**	**87.01%**

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

1. Sun Grepa Peso Asset Builder - PriMO

Bloomberg ISIN	XS1934993764		
Maturity	4-Mar-26		
Valuation Date	30-Dec-24		
Note Provider	Goldman Sachs		
Remaining Time to Maturity	1.18	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*	
Option Value	0.00%		
Fixed Income Value	95.55%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	95.55%	95.55%	95.55%
PHP NDS	-1.82%	-0.89%	-0.34%
ROP CDS	-0.10%	-0.03%	-0.09%
GS CDS	-0.22%	-0.12%	-0.12%
Fixed Income Level	93.41%	94.50%	95.00%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	93.41%	94.50%	95.00%

2. Sun Grepa Global Asset Builder - PriMO

Bloomberg ISIN	XS1792287267		
Maturity	17-Dec-25		
Valuation Date	30-Dec-24		
Note Provider	Goldman Sachs		
Remaining Time to Maturity	0.96	*assume this is duration factor for the scenario/stress testing, given ZCB duration = remaining tenor*	
Option Value	0.00%		
Fixed Income Value	94.30%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	94.30%	94.30%	94.30%
USD IRS	-1.59%	-0.08%	-0.16%
ROP CDS	-0.08%	-0.03%	-0.08%
GS CDS	-0.18%	-0.10%	-0.09%
Fixed Income Level	92.45%	94.09%	93.97%
Option Sensitivity	0.00%	0.00%	0.00%
MTM Level	92.45%	94.09%	93.97%

3. Sun Grepa Peso Asset Builder – Hybrid Income 1

Bloomberg ISIN	XS2617697359		
Maturity	29-Sep-30		
Valuation Date	30-Dec-24		
Note Provider	Nomura		
Remaining Time to Maturity	4.73	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	97.97%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	97.97%	97.97%	97.97%
PHP NDS	-4.97%	-1.11%	-2.81%
ROP CDS	-0.90%	-0.04%	-0.05%
Nomura CDS	-5.14%	-1.01%	-0.36%
Fixed Income Level	86.96%	95.81%	94.75%
MTM Level	86.96%	95.81%	94.75%

4. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN	XS2617537233	
Maturity	27-Oct-30	
Valuation Date	30-Dec-24	
Note Provider	Nomura	
Remaining Time to Maturity	4.77	*Duration since bond is not zero coupon*
Coupon7.15Bloomberg ISIN	XS2617537233	
Fixed Income Value	98.44%	

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

5. Sun Grepa Peso Asset Builder – Hybrid Income 3

Bloomberg ISIN	XS2692916302	
Maturity	21-Nov-30	
Valuation Date	30-Dec-24	
Note Provider	Nomura	
Remaining Time to Maturity	4.79	*Duration since bond is not zero coupon*
Coupon	7.20%	
Fixed Income Value	98.04%	

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

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

Bloomberg ISIN	XS2692848208	
Maturity	22-Dec-30	
Valuation Date	30-Dec-24	
Note Provider	Nomura	
Remaining Time to Maturity	4.79	*Duration since bond is not zero coupon*
Coupon	6.90%	
Fixed Income Value	97.40%	

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

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

Bloomberg ISIN	XS2762688724	
Maturity	10-May-31	
Valuation Date	30-Dec-24	
Note Provider	Nomura	
Remaining Time to Maturity	5.12	*Duration since bond is not zero coupon*
Coupon	6.80%	
Fixed Income Value	97.40%	

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

8. Sun Grepa Global Asset Builder (ProIncome 3)

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

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

9. Sun Grepa Peso Asset Builder (ProIncome)

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

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

10. Sun Grepa Peso Asset Builder (ProIncome)

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

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

11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831036764			
Maturity	30-Jun-31			
Valuation Date	30-Dec-24			
Note Provider	ING			
Remaining Time to Maturity	5.22	*Duration since bond is not zero coupon*		
Coupon	7.10			
Fixed Income Value	90.01%			

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

12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831035790			
Maturity	17-Jul-31			
Valuation Date	30-Dec-24			
Note Provider	ING			
Remaining Time to Maturity	5.26	*Duration since bond is not zero coupon*		
Coupon	7.10			
Fixed Income Value	89.03%			

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

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470			
Maturity	6-Sep-31			
Valuation Date	30-Dec-24			
Note Provider	ING			
Remaining Time to Maturity	5.36	*Duration since bond is not zero coupon*		
Coupon	7.10			
Fixed Income Value	90.02%			

	Scenario 1	Scenario 2	Scenario 3
Current Value	90.02%	90.02%	90.02%
PHP NDS	-5.63%	-1.26%	-3.18%
ROP CDS	-1.02%	-0.04%	-0.05%
ING CDS	-5.92%	-0.43%	-0.81%
Fixed Income Level	77.45%	88.28%	85.98%
MTM Level	77.45%	88.28%	85.98%

12. Reinsurance Assets

This account relates to the nonlife insurance business and consists of:

	2025	2024
Reinsurance recoverable on unpaid losses (Note 28)	**₱7,645,495,129**	₱13,693,992,453
Deferred reinsurance premiums (Note 28)	**3,708,936,689**	4,661,968,741
	₱11,354,431,818	₱18,355,961,194

Reinsurance recoverable on unpaid losses represents balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

Deferred reinsurance premiums related to reinsurance premiums ceded that pertain to the unexpired periods at end of the reporting period.

13. Inventories

This account consists of:

	2025	2024
Merchandise:		
Automotive units	**₱364,010,821**	₱271,066,384
Parts, service materials and accessories	**124,621,527**	162,223,824
Others	**506,588**	762,396
	489,138,936	434,052,604
Less: Allowance for inventory obsolescence	**30,806,617**	35,738,515
	₱458,332,319	₱398,314,089

Merchandise includes automotive units, parts and accessories, food and beverages, bookstore inventory, among others.

Spare parts and supplies pertain to inventory items used in the repair and maintenance of the Group's property and equipment.

The Group recognizes inventory write-down whenever the net realizable value (NRV) of the existing inventories is lower than its cost. The cost of inventories with allowance for inventory obsolescence amounted to ₱30.81 million and ₱35.74 as of December 31, 2025 and 2024.

The rollforward of allowance for inventory obsolescence is as follows:

	2025	2024
Balance at beginning of year	**₱35,738,515**	₱35,966,255
Provision (Recoveries) (Note 33)	**(4,931,898)**	15,855,105
Write-off	–	(16,082,845)
Balance of impairment at end of year	**₱30,806,617**	₱35,738,515

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

14. Loans Receivable

This account consists of:

	2025	2024
Long-term commercial papers	**₱1,277,839,183**	₱1,117,501,332
Policy loans	**895,193,466**	740,695,715
Due from:		
Agents	**26,654,361**	23,566,818
Held for trust	**21,244,766**	22,710,757
GEM trust fund	**962,325**	7,855,950
Others	**330,256,777**	153,118,958
	2,552,150,878	2,065,449,530
Less: Allowance for impairment	**13,407,425**	5,865,171
	₱2,538,743,453	₱2,059,584,359

Long-term commercial papers pertain to the Group's investments in unquoted private debt securities and corporate notes with annual interest rates ranging from 5.85% to 7.26% and from 3.30% to 7.26% as of December 31, 2025 and 2024, respectively, and maturities ranging from 2026 to 2035 and 2025 to 2031 as of December 31, 2025 and 2024, respectively.

Policy loans pertain to interest-bearing loans granted to policyholders. The policyholders' cash surrender values on their life insurance policies serve as collateral on the loans. Interest charged on these loans is at 6%-8% per annum on Peso and US Dollar loans, equivalent to the ceiling rates mandated by the IC.

The rollforward of allowance for impairment of loans receivable is as follows:

	2025	2024
Balance at beginning of year	**₱5,865,171**	₱6,200,460
Provisions (recovery)	**7,542,254**	(335,289)
Balance at end of year	**₱13,407,425**	₱5,865,171

15. Prepaid Expenses and Other Current Assets

This account consists of:

	2025	2024
Prepaid expenses	**₱504,478,921**	₱469,490,572
CWT	**198,070,086**	212,708,816
Security deposits	**86,759,336**	74,797,104
Unused supplies	**34,446,870**	27,313,715
Input VAT	**31,931,056**	65,480,317
Prepaid taxes	**18,077,410**	12,324,729
Short-term investments	**9,341,643**	6,249,369
Others	**148,588,453**	209,228,163
	1,031,693,775	1,077,592,785
Less allowance for impairment	**8,690,513**	8,690,513
	₱1,023,003,262	₱1,068,902,272

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

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

Security deposits mainly represent the Group's refundable rental, utilities and guarantee deposits on various machinery and equipment items.

Short-term investments earn interest at the prevailing investment rates and have maturity of more than 3 months but less than one year. These include investments held for government and private entities for the purpose of undertaking socio-economic studies and development projects.

Others include various deposits and other supplies, among others.

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

	2025			
	Security deposits	**Advances to officers and employees**	**Advances to suppliers and subcontractors**	**Total**
Balance at beginning of year	**₱41,265,425**	**₱1,035,813**	**₱13,093,959**	**₱55,395,197**
Reversal of ECL	**(41,265,425)**	**–**	**(5,439,259)**	**(46,704,684)**
Balance at end of year	**₱–**	**₱1,035,813**	**₱7,654,700**	**₱8,690,513**

	2024			
	Security deposits	Advances to officers and employees	Advances to suppliers and subcontractors	Total
Balance at beginning of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197
Reversal of ECL	(41,265,425)	–	(5,439,259)	(46,704,684)
Balance at end of year	₱–	₱1,035,813	₱7,654,700	₱8,690,513

16. Financial Assets

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

This account consists of:

	2025	2024
Unquoted debt securities	**₱7,810,204,673**	₱5,886,745,147
Mutual funds	**816,674,892**	637,948,468
Seed capital in VUL segregated funds (Note 11)	**581,219,839**	545,856,657
Listed equity shares	**540,424,745**	466,425,227
Private debt securities	**333,850,321**	272,664,770
Government securities	**234,820,222**	93,750,471
	₱10,317,194,692	₱7,903,390,740

Unquoted debt securities are with embedded derivatives features such as credit linked notes and foreign currency swap amounting to ₱7.81 billion and ₱5.89 billion in 2025 and 2024, respectively, and are designated as financial assets at FVTPL. These investments are all denominated in local currency with interest rates ranging from 6.0% to 8.7% in 2025 and 2024. These credit-linked notes will expire in 2029 and 2033.

The Company invests in mutual funds in which fair values are determined based on published net asset value per share (NAVPS). NAVPS is computed as total assets of the fund less total liabilities over the total shares outstanding as of the end of the reporting period. The funds are primarily invested in quoted securities in various industries and quoted government securities.

Seed capital in variable unit-linked segregated funds is the initial funding that allows Exchange-traded Funds (ETFs) to launch and become available to investors.

Private debt securities consist of fixed term debt instruments with annual interest rates ranging from 3.00% to 8.13% and from 3.50% to 8.13% in 2025 and 2024, respectively. These instruments have maturities ranging from 2026 to 2069 and 2025 to 2069 as of December 31, 2025 and 2024, respectively.

Government securities pertain to the Philippine government treasury bills with fair value of ₱234.82 million and ₱93.75 million as of December 31, 2025, and 2024, respectively, and are all maturing within 12 months from the reporting date.

The rollforward of financial assets at FVTPL is as follows:

	2025	2024
Balance at beginning of year	**₱7,903,390,740**	₱6,422,981,790
Addition	**4,404,979,676**	2,117,011,274
Disposal	**(2,206,897,240)**	(628,345,588)
Effect of foreign currency	**26,678,605**	–
Fair value gains (losses)	**189,042,911**	(8,256,736)
Balance at end of year	**₱10,317,194,692**	₱7,903,390,740

The calculated range of fair values are based on the following combination of inputs/ methodologies:
- Underlying index's volatility
- Reference entity's credit risk
- Discount rate

B. Financial assets at fair value through other comprehensive income (FVOCI)

This account consists of:

	2025	2024
Quoted shares	**₱24,885,479,838**	₱23,736,363,719
Unquoted shares	**2,104,953,475**	1,813,779,216
	₱26,990,433,313	₱25,550,142,935

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

	2025	2024
Attributable to equity holders of the parent:		
Balance at beginning of year	**(₱352,644,065)**	(₱47,667,218)
Income (loss) recognized in OCI	**483,224,127**	(324,275,403)
Reclassification	**–**	(60,859,563)
Acquisition (disposal)	**(62,103,043)**	80,158,119
Expected credit losses	**5,621,473**	–
Balance at end of year	**₱74,098,492**	(₱352,644,065)
Non-controlling interests:		
Balance at beginning of year	**250,183,400**	323,604,683
Gain (loss) recognized in OCI	**371,644,980**	(73,421,283)
Balance at end of year	**621,828,380**	250,183,400
	₱854,869,107	(₱397,696,686)

Dividend earned from equity investments at FVOCI amounted to ₱5.07 million, ₱7.26 million, and ₱0.82 million in 2025, 2024 and 2023, respectively (see Note 32).

No equity investments at FVOCI were pledged as security to obligations as of December 31, 2025 and 2024.

C. Investment securities at amortized cost

This account consists of:

	2025	2024
Government debt securities	**₱5,013,472,605**	₱4,113,571,760
Private debt securities	**268,611,815**	265,730,379
	₱5,282,084,420	₱4,379,302,139

Government debt securities include fixed rate treasury notes, retail treasury bonds and ROPs that bear interest rates per annum ranging from 1.65% to 8.00% and from 2.38% to 8.00% in 2025 and 2024, respectively, and have maturities ranging from 2026 to 2044 and 2025 to 2044 as of December 31, 2025 and 2024, respectively.

Private debt securities consist of fixed term debt instruments with annual interest rates ranging from 5.13% and 7.26% and from 5.13% to 5.50% in 2025 and 2024, respectively, and have maturities ranging from 2026 to 2035 and 2025 to 2029 as of December 31, 2025 and 2024, respectively.

No investment securities at amortized cost were pledged as security to obligations as of December 31, 2025 and 2024.

17. Assets Held for Sale

As at December 31, 2023, the Group classified 4.5% interest in EEI as “Asset Held for Sale” and remeasured at fair value less cost of disposal of ₱337.38 million. The transaction was accounted as noncash investing activity in the 2023 parent company statement of cash flows. The asset was subsequently sold on January 5, 2024.

18. Investments in Associates and Joint Ventures

The Group's associates and joint venture accounted for using the equity method as of December 31 follows:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership 2025	2024
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	**50.00**	50.00
Petroenergy Resources Corporation (PERC) *	Philippines	Renewable energy	Philippine peso	**30.57**	30.57
Manila Memorial Park Cemetery, Inc. (MMPC)	Philippines	Funeral service	Philippine peso	**26.48**	26.48
Sojitz G Auto Philippines Corporation (SGAPC)	Philippines	Automotive distributor	Philippine peso	**20.00**	20.00
RCBC Realty Corporation (RRC)	Philippines	Realty	Philippine peso	**10.00**	10.00
EEI Corporation**	Philippines	Construction	Philippine peso	–	–

**In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%*
*** Deconsolidated in 2023 and reclassified as an equity investment at fair value through other comprehensive income (FVOCI) in 2024.*

The rollforward analysis of this account follows:

	2025	2024
Acquisition cost:		
Balance at beginning of year	**₱2,845,785,250**	₱4,281,066,470
Additions	**40,000,000**	174,432,352
Disposal	–	(567,739,070)
Reclassification	–	(1,041,974,502)
Balance at end of year	**2,885,785,250**	2,845,785,250
Accumulated impairment loss	**(364,312,330)**	(364,312,330)
Accumulated equity in net earnings:		
Balance at beginning of year	**2,363,064,264**	2,092,762,160
Equity in net earnings	**331,509,408**	81,479,896
Dividend received	**(86,494,443)**	(82,958,771)
Reclassification	–	271,780,979
Balance at end of year	**2,608,079,229**	2,363,064,264
Share in other comprehensive gain (loss) of an associate:		
Cumulative translation adjustments	**35,002,552**	35,002,552
Remeasurement gain (loss) on retirement liability	**(7,955,357)**	(5,740,974)
Revaluation increment	**291,540**	–
Changes in fair value of investments carried at FVOCI	**645,769**	511,112
	27,984,504	29,772,690
	₱5,157,536,653	₱4,874,309,874

<u>EEI</u>
As disclosed on Note 6, the Parent Company sold 20% investment holdings in EEI resulting to loss of control over the subsidiary. The remaining investment of 35.34% was accounted for as an investment in associate. Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI.

Proceeds from the sale amounted to ₱1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

As of December 31, 2023, the Parent Company classified 4.5% interest in EEI as "Asset Held for Sale" and remeasured at ₱337.38 million. The transaction was accounted as noncash investing activity in the 2023 consolidated statement of cash flows. The asset was subsequently sold on January 5, 2024. On February 23, 2024, the Parent Company sold another 1.5% interest in EEI. As of December 31, 2025 and 2024, the Parent Company's investment in EEI is classified as financial assets at FVOCI.

RRC
RRC was incorporated on July 29, 1997 and is presently engaged in developing real estate and leasing condominium units for commercial and/or residential purposes.

PERC
In April 2019, the Parent Company purchased additional 4,153,651 shares of PERC, an entity listed with PSE, amounting to ₱17.8 million, resulting to an increase in ownership interest from 28.36% to 29.10%. In 2024, the Parent Company purchased 8,396,870 shares, increasing its ownership to 30.57%.

Its share price amounted to ₱3.50 and ₱4.95 per share as of December 31, 2025 and 2024, respectively.

MMPC
MMPC was incorporated and registered with the SEC on September 26, 1962 primarily to engage in development and sale of memorial lots.

SGAPC
On February 26, 2025, the Parent Company infused additional capital of ₱40.00 million to SGAPC.

At the end of the year, the Parent Company recognized impairment loss for its investments in Sojitz G Auto Philippines Corp amounting to ₱25.49 million.

As of December 31, 2025 and 2024, no investments in associates were pledged as security to obligations.

The details of significant investments accounted for under the equity method are as follows:

(Amounts in millions)

			2025		
Acquisition cost:	**HEPI**	**MMP**	**RRC**	**SGAP**	**PERC**
Balance, January 1	**₱24**	**₱120**	**₱1,018**	**₱190**	**₱923**
Additions	–	–	–	**40**	–
Impairment	–	–	–	–	–
Deconsolidation	–	–	–	–	–
Balance, December 31	**₱24**	**₱120**	**₱1,018**	**₱230**	**₱923**
Accumulated equity in net earnings (losses):					
Balance, January 1	**₱200**	**₱923**	**₱569**	**(₱190)**	**₱929**
Equity in net earnings (losses)	**44**	**123**	**65**	**42**	**57**
Deconsolidation	–	–	–	–	–
Dividends declared	**(25)**	**(19)**	**(33)**	–	**(9)**
Balance, December 31	**₱219**	**₱1,027**	**₱601**	**(₱148)**	**₱977**
Subtotal	**₱243**	**₱1,147**	**₱1,619**	**₱82**	**₱1,900**

(Forward)

Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
			2025		
Accumulated share in other comprehensive income:					
Balance, January 1	**₱–**	**₱–**	**₱1**	**₱–**	**(₱6)**
Deconsolidation	–	–	–	–	
Share in other comprehensive income (loss)	–	–	–	–	**(2)**
Balance, December 31	**₱–**	**₱–**	**₱1**	**₱–**	**(₱8)**
Equity in cumulative translation adjustments	–	–	–	–	**35**
	₱	**₱1,147**	**₱1,620**	**₱82**	**₱1,927**

	HEPI	MMP	RRC	SGAP	PERC
			2025		
Net asset before adjustments	**₱494**	**₱4,022**	**₱3,923**	**₱73**	**₱14,181**
Adjustments	**(7)**	**325**	**12,254**	**339**	**(7,804)**
Net assets	**₱487**	**₱4,347**	**₱16,177**	**₱412**	**₱6,377**
Proportionate ownership in the associate	**50%**	**26%**	**10%**	**20%**	**31%**
Share in net identifiable assets	**₱244**	**₱1,146**	**₱1,618**	**₱82**	**₱1,947**
Carrying value	**₱244**	**₱1,146**	**₱1,618**	**₱82**	**₱1,947**

Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
			2024		
Balance, January 1	₱24	₱120	₱1,018	₱50	₱889
Additions	–	–	–	140	34
Impairment	–	–	–	–	–
Deconsolidation	–	–	–	–	–
Balance, December 31	₱24	₱120	₱1,018	₱190	₱923
Accumulated equity in net earnings (losses):					
Balance, January 1	₱193	₱835	₱512	(₱44)	₱936
Equity in net earnings (losses)	32	107	87	(146)	2
Deconsolidation	–	–	–	–	–
Dividends declared	(25)	(19)	(30)	–	(9)
Balance, December 31	₱200	₱923	₱569	(₱190)	₱929
Subtotal	₱224	₱1,043	₱1,587	₱–	₱1,852
Accumulated share in other comprehensive income:					
Balance, January 1	₱–	₱–	₱–	₱–	₱1
Deconsolidation	–	–	–	–	–
Share in other comprehensive income (loss)	–	–	1	–	(7)
Balance, December 31	₱–	₱–	₱1	₱–	(₱6)
Equity in cumulative translation adjustments	–	–	–	–	35
	₱224	₱1,043	₱1,588	₱–	₱1,881
Net asset before adjustments	₱447	₱3,658	₱3,616	(₱339)	₱14,060
Adjustments	2	277	11,648	339	(8,001)
Net assets	₱449	₱3,935	₱15,264	₱–	₱6,059
Proportionate ownership in the associate	50%	26%	10%	20%	31%
Share in net identifiable assets	₱225	₱1,023	₱1,526	₱–	₱1,878
Carrying value	₱225	₱1,023	₱1,526	₱–	₱1,878

Summarized financial information of the Group's significant associates and joint venture are as follows:

(Amounts in millions)

	RRC	PERC	HEPI	MMPC	SGAPC
			2025		
Current assets	**₱623**	**₱3,611**	**₱782**	**₱2,913**	**₱100**
Noncurrent assets	**5,914**	**22,073**	**47**	**2,798**	**–**
Total assets	**₱6,537**	**₱25,684**	**₱829**	**₱5,711**	**₱100**
Current liabilities	**₱1,346**	**₱2,975**	**₱335**	**₱1,295**	**₱27**
Noncurrent liabilities	**1,258**	**8,607**	**–**	**414**	**–**
Total liabilities	**₱2,604**	**₱11,582**	**₱335**	**₱1,709**	**₱27**
Revenues	**₱1,815**	**₱3,724**	**₱766**	**₱1,050**	**₱ –**
Cost	**–**	**2,156**	**261**	**127**	**(54)**

(Forward)

	2025				
	RRC	**PERC**	**HEPI**	**MMPC**	**SGAPC**
Gross margin	**₱1,815**	**₱1,568**	**₱505**	**₱923**	**₱54**
Selling and administrative, and other expenses	**989**	**409**	**401**	**522**	**62**
Pre-tax income (loss)	**₱826**	**₱1,159**	**₱104**	**₱401**	**(₱8)**
Proportionate ownership in the associate	**10%**	**30.57%**	**50%**	**26.48%**	**20%**
Share in pre-tax income (loss)	**83**	**354**	**52**	**106**	**(2)**
Income tax (benefit)	**(17)**	**(28)**	**(16)**	**(41)**	**(1)**
Non-controlling interest	**893**	**869**	**69**	**408**	**(3)**
Equity in net earnings (losses)	**₱99**	**₱383**	**₱69**	**₱147**	**(₱1)**
Dividends received	**₱33**	**₱9**	**₱25**	**₱19**	**₱ –**

	2024				
	RRC	PERC	HEPI	MMPC	SGAPC
Current assets	₱762	₱4,598	₱835	₱2,609	₱132
Noncurrent assets	5,862	18,762	59	2,636	35
Total assets	₱6,624	₱23,360	₱894	₱5,245	₱167
Current liabilities	₱1,267	₱2,233	₱446	₱1,180	₱506
Noncurrent liabilities	1,751	7,510	–	472	–
Total liabilities	₱3,018	₱9,743	₱446	₱1,652	₱506
Revenues	₱2,085	₱3,447	₱696	₱919	₱2,317
Cost	–	(1,809)	(197)	(104)	(2,359)
Gross margin	2,085	1,638	499	815	(42)
Selling and administrative, and other expenses	(1,031)	(645)	(403)	(330)	(540)
Pre-tax income (loss)	₱1,054	₱993	₱96	₱485	(₱582)
Proportionate ownership in the associate	10%	30.57%	50%	26%	20%
Share in pre-tax income (loss)	105	304	48	122	210
Income tax (benefit)	(188)	(104)	(30)	(57)	(104)
Non-controlling interest	–	(402)	–	–	–
Equity in net earnings (losses)	₱87	₱163	₱32	₱107	(₱146)
Dividends received	₱30	₱9	₱25	₱19	₱–

Other relevant financial information of HEPI are as follows:

	2025	2024
Cash and cash equivalents	**₱168,031,836**	₱176,546,128
Current financial liabilities *	**23,885,149**	23,695,584
Noncurrent financial liabilities *	**–**	–
Depreciation and amortization	**–**	–
Interest income	**2,161,324**	3,028,714
Interest expense	**–**	–

**Excluding trade and other payables and provisions*

Other relevant financial information of RRC are as follows:

	2025	2024
Cash and cash equivalents	**₱319,485,821**	₱610,754,046
Current financial liabilities *	**1,083,756,473**	999,272,820
Noncurrent financial liabilities *	**1,246,568,890**	1,762,921,840
Depreciation and amortization	**244,480,712**	216,177,227
Interest income	**28,335,121**	33,415,030
Interest expense	**106,747,824**	140,119,940

**Excluding trade and other payables and provisions*

Other relevant financial information of PERC are as follows:

	2025	2024
Cash and cash equivalents	**₱1,791,277,549**	₱2,770,469,655
Current financial liabilities *	**1,787,509,891**	1,323,413,409
Noncurrent financial liabilities *	**8,607,447,571**	7,510,710,099
Depreciation and amortization	**959,084,184**	740,674,687
Interest income	**118,549,845**	191,203,364
Interest expense	**654,118,439**	555,725,055

**Excluding trade and other payables and provisions*

Other relevant financial information of MMPC are as follows:

	2025	2024
Cash and cash equivalents	**₱130,233,545**	₱322,196,768
Current financial liabilities *	**59,844,816**	45,619,964
Noncurrent financial liabilities *	**414,176,110**	162,716,262
Depreciation and amortization	**89,123,368**	58,690,751
Interest income	**238,058,803**	228,654,877
Interest expense	**8,653,323**	3,496,762

**Excluding trade and other payables and provisions*

Other relevant financial information of SGAPC are as follows:

	2025	2024
Cash and cash equivalents	**₱96,844,259**	₱84,597,453
Current financial liabilities *	**1,338,367**	484,775,000
Depreciation and amortization	**149,557**	109,503,317
Interest income	**103,822**	122,006
Interest expense	**9,439,068**	85,906,040

**Excluding trade and other payables and provisions*

19. Investment Properties

The rollforward analysis of this account follows:

	2025	2024
Cost:		
Balance at beginning of year	**₱13,069,905,939**	₱11,010,049,133
Additions	**5,763,110**	145,556,063
Reclassification	–	1,915,467,631
Disposals	–	(1,166,888)
Balance at year end	**13,075,669,049**	13,069,905,939
Accumulated depreciation:		
Balance at beginning of year	**674,521,895**	185,660,228
Depreciation	**106,742,352**	245,352,203
Reclassification	–	243,509,464
Balance at year end	**781,264,247**	674,521,895
	₱12,294,404,802	₱12,395,384,044

Properties classified as investment properties include the following:

- Parcel of land located in Makati owned by SLRHSI with the carrying value of ₱1,763.30 million.
- Parcel of land, building and building improvements in Quezon City owned by the Parent with the carrying value of ₱1,597.53 million.
- Parcel of land, building, building improvements and machinery and equipment situated in Taguig City owned by ATYC with carrying value of ₱5,914.06 million.
- Parcel of land located in Tarlac with carrying value of ₱2.67 billion acquired by the Group in 2023. The acquisition includes cash paid in 2023 amounting to ₱534.63 million and the balance for installment payment and is treated as noncash investing activity in the 2023 consolidated statement of cashflow. As of December 31, the installment payable consist of the following:

	2025	2024
Current	**₱757,448,262**	₱1,340,936,496
Noncurrent	–	757,448,262
	₱757,448,262	₱2,098,384,758

As of December 31, 2025, the aggregate fair values of land amounted to ₱23.90 billion, which was determined based on valuation performed by an independent SEC accredited appraiser in 2025. The fair value of the land was determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, and shape (Level 3 – Significant unobservable inputs).

In July 2024, the land and building improvements located in Quezon City, which was previously recognized under Property and Equipment, was reclassified to Investment Property account amounting to ₱1.56 billion The related revaluation increment amounting to ₱1.04 billion remains to be in the other comprehensive income.

Rental income derived from the investment properties amounted to ₱949.42 million, ₱873.53 million, and ₱767.46 million in 2025, 2024 and 2023, respectively. Total direct expenses incurred in relation to these investment properties amounted to ₱309.52 million, ₱283.80 million, and ₱271.15 million in 2025, 2024 and 2023, respectively.

None of the investment properties were pledged as a security to obligations as of December 31, 2025 and 2024.

20. Property and Equipment

Property and equipment at revalued amount
Movements in the revalued land are as follows:

	2025	2024
Balance at beginning of year	**₱15,015,152,509**	₱15,469,825,819
Change in revaluation increment	**1,111,324,580**	1,101,121,690
Disposals/retirement	**(75,076,000)**	–
Reclassification (Note 19)	–	(1,555,795,000)
Balance at end of year	**₱16,051,401,089**	₱15,015,152,509

Land at revalued amounts consists of owner-occupied property wherein the school buildings, car dealership showroom, and other facilities are located.

As of December 31, 2025 and 2024, the appraised values of the parcels of land were determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, shape and terrain and location among others. The significant unobservable valuation input is price per square meter (level 3 – Significant unobservable inputs). The parcels of land were valued in terms of their highest and best use. The valuation was performed by an independent SEC-accredited appraiser as of December 31, 2025.

In 2025, 2024 and 2023, the Group revalued its land based on the appraisals made by SEC accredited appraisers. As of December 31, 2025 and 2024, the cost of the parcels of land carried at revalued amounts amounted to ₱4.28 billion and ₱4.23 billion, respectively.

Below is a listing of the properties owned by the Group together with the description of the valuation techniques used and key inputs to valuation of land:

Location	Valuation Techniques	Unobservable Inputs Used	Range (Weighted Average) 2025	2024
Makati and Intramuros, Manila	Market Approach	Price per square meter	**₱139,098 to ₱153,900**	₱132,098 to ₱261,630
Cabuyao, Laguna	Market Approach	Price per square meter	**₱15,400 to ₱18,200**	₱15,000 to ₱17,700
Davao City, Davao Del Sur	Market Approach	Price per square meter	**₱46,800 to ₱64,125**	₱40,950 to ₱63,000
Pandacan, Metro Manila	Market Approach	Price per square meter	**₱146,000 to ₱163,000**	₱132,300 to ₱156,400
San Jose Del Monte City, Bulacan	Market Approach	Price per square meter	**₱56,745 to ₱64,890**	₱57,915 to ₱61,506
Naga City, Camarines Sur	Market Approach	Price per square meter	**₱31,500 to ₱45,000**	₱25,175 to ₱47,500
Quiapo, Manila	Market Approach	Price per square meter	**₱214,500 to ₱285,700**	₱211,500 to ₱261,000
Angliongto Sr., Davao City	Market Approach	Price per square meter	**P72,000/sq.m to P84,645/sq.m**	₱72,000/sq.m to P84,645/sq.m
Bacolod, Negros Occidental*	Market Approach	Price per square meter	–	₱42,075/sq.m to P56,100/sq.m

**The property was sold in 2025*

Adjustment factors arising from external and internal factors (i.e., location, size, and road frontage) affecting the subject properties as compared to the market listing of comparable properties, ranges from -30% to +15% in 2025 and 2024.

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

Property and equipment at cost

The rollforward analysis of this account follows:

	2025	2024
Cost		
Balance at beginning of year	**₱17,121,826,024**	₱14,768,125,104
Additions	**2,892,093,305**	3,294,740,976
Disposals/Retirements	**(296,132,289)**	(19,135,943)
Transfers/Reclassification	**(5,331,959)**	1,965,027
Reclassification to investment property	**–**	(286,431,124)
Spin-off	**–**	(637,438,016)
Balance at end of year	**19,712,455,081**	17,121,826,024
Accumulated Depreciation and Amortization		
At beginning of year	**8,084,579,562**	7,694,596,350
Depreciation and amortization	**702,222,416**	1,160,123,694
Disposals/retirements	**(31,499,488)**	(14,921,024)
Transfers/reclassifications	**(45,856,257)**	(755,219,458)
Balance at end of year	**8,709,446,233**	8,084,579,562
Net book value	**₱11,003,008,848**	₱9,037,246,462

	2025					
	Buildings and Improvements	**Machinery, Tools and Construction Equipment**	**Transportation and Service Equipment**	**Furniture, Fixtures, and Office Equipment**	**Construction in Progress**	**Total**
Cost						
Balance at beginning of year	**₱5,854,300,800**	**₱1,958,068,588**	**₱630,041,492**	**₱5,151,478,359**	**₱3,527,936,785**	**₱17,121,826,024**
Acquisitions	**166,078,695**	**77,946**	**96,486,154**	**476,753,004**	**2,152,697,506**	**2,892,093,305**
Disposals/Retirements	**(241,426,519)**	–	**(47,284,657)**	**(7,421,113)**	–	**(296,132,289)**
Transfer/Reclassifications	**469,646**	–	–	**(1,856,136)**	**(3,945,469)**	**(5,331,959)**
Balance at end of year	**5,779,422,622**	**1,958,146,534**	**679,242,989**	**5,618,954,114**	**5,676,688,822**	**19,712,455,081**
Accumulated Depreciation and Amortization						
Balance at beginning of year	**3,361,186,157**	**106,299,571**	**483,675,070**	**4,133,418,764**	–	**8,084,579,562**
Depreciation and amortization (Note 34)	**282,094,506**	**488,060**	**55,190,350**	**364,449,500**	–	**702,222,416**
Disposals/retirements	**(2,471,532)**	**–**	**(24,639,167)**	**(4,388,789)**	**–**	**(31,499,488)**
Transfers/Reclassifications	**(50,179,228)**	**–**	**(4,230,737)**	**8,553,708**	**–**	**(45,856,257)**
Balance at end of year	**3,590,629,903**	**106,787,631**	**509,995,516**	**4,502,033,183**	–	**8,709,446,233**
Net Book Value at Cost	**₱2,188,792,719**	**₱1,851,358,903**	**₱169,247,473**	**₱1,116,920,931**	**₱5,676,688,822**	**₱11,003,008,848**

	2024					
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	Total
Cost						
Balance at beginning of year	₱5,807,387,479	₱1,869,634,524	₱641,410,846	₱4,625,124,913	₱1,824,567,342	₱14,768,125,104
Acquisitions	659,089,536	88,434,064	176,967,511	650,687,584	1,719,562,281	3,294,740,976
Disposals/Retirements	(217,000)	–	(9,334,438)	(9,584,505)	–	(19,135,943)
Transfer/Reclassifications	11,053,508	–	(15,475)	(126,072)	(8,946,934)	1,965,027
Reclassification to investment property	(286,431,124)	–	–	–	–	(286,431,124)
Spin-off	(336,581,599)	–	(178,986,952)	(114,623,561)	(7,245,904)	(637,438,016)
Balance at end of year	5,854,300,800	1,958,068,588	630,041,492	5,151,478,359	3,527,936,785	17,121,826,024
Accumulated Depreciation and Amortization						
Balance at beginning of year	3,350,086,172	20,398,648	528,177,024	3,795,934,507	–	7,694,596,350
Depreciation and amortization (Note 34)	517,811,511	85,900,923	120,848,675	435,562,584	–	1,160,123,694
Disposals/retirements	–	–	(5,095,659)	(9,825,365)	–	(14,921,024)
Transfers/Reclassifications	15,886	–	(384,100)	17,527,649	–	17,159,435
Reclassification to investment property	(241,709,156)	–	–			(241,709,156)
Spin-off	(265,018,256)	–	(159,870,870)	(105,780,611)	–	(530,669,737)
Balance at end of year	3,361,186,157	106,299,571	483,675,070	4,133,418,764	–	8,084,579,562
Net Book Value at Cost	₱2,493,114,643	₱1,851,769,017	₱146,366,422	₱1,018,059,595	₱3,527,936,785	₱9,037,246,462

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

	2025	2024	2023
Cost of sales and services			
Tuition and other fees	**₱500,484,590**	446,139,401	353,081,000
Manpower and other services	**127,875,935**	123,103,981	7,610,414
	628,360,525	569,243,382	360,691,414
General and administrative expenses (Note 33)	**393,037,245**	368,410,288	115,531,208
Deconsolidated operation	–	–	116,311,960
	₱1,021,397,770	₱937,653,670	₱592,534,582

Gain on sale of property and equipment follows:

	2025	2024	2023
Continued operation	**₱65,484,361**	₱13,147,803	₱5,030,534
Deconsolidated operation	**–**	–	352,698
	₱65,484,361	₱13,147,803	₱5,383,232

21. **Deferred Acquisition Costs** - net

The details of deferred acquisition costs follow:

	2025	2024
Balance at beginning of year	**₱527,720,153**	₱484,882,750
Cost deferred during the year	**1,413,550,304**	1,353,693,845
Amortized during the year	**(1,440,337,798)**	(1,310,856,442)
Balance at end of year	**₱500,932,659**	₱527,720,153

The details of deferred reinsurance commissions follow:

	2025	2024
Balance at beginning of year	**₱245,799,378**	₱246,152,402
Income deferred during the year	**562,363,244**	550,174,053
Amortized during the year	**(566,860,277)**	(550,527,077)
Balance at end of year	**₱241,302,345**	₱245,799,378

22. **Leases**

Group as a lessor
IPO's Intramuros and Makati campuses lease spaces to Digital Telecommunications Philippines or Digitel, IMI and Bell Telecommunication Philippines, Inc. The lease terms cover lease periods of between three (3) years to ten (10) years with escalation rates ranging from 3.00% to 10.00%.

ATYC entered into lease agreements as a lessor covering office and parking spaces renewable by mutual agreement of both parties generally under the same terms and conditions. The lease period ranges from three (3) to ten (10) years with annual escalation clauses ranging from 5% to 6%.

The future minimum rentals receivable under the aforementioned lease agreements follow:

	2025	2024
Within one year	**₱630,275,871**	₱516,885,863
More than one year but not more than five years	**677,124,575**	821,952,462
Later than five years	**57,173,714**	10,239,175
	₱1,364,574,160	₱1,349,077,500

Group as a lessee
The Group has lease contracts for various items of land, improvements, office spaces, warehouses, school sites and annexes and other equipment used in its operations, among others. Leases of land, improvements and school sites generally have lease terms between 2 and 66 years, while other equipment generally have lease terms between 1 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.
The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

a. The Parent Company's lease contract term is one (1) year and includes renewal option for another year subject to mutual agreement of the lessee and lessor. Management exercises significant judgement in determining whether the renewal option is reasonably certain to be exercised.

b. IPO leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from one to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease term of one year or less.

c. Landev Corporation entered into lease agreements that are renewable upon mutual agreement of Landev Corporation and the lessors:

Lessor	**Commencement date**	**Term**	**Monthly Rental**
Frame Properties, Inc.	May 25, 2024	3 years	660,478*
RCBC Realty Corporation	September 1, 2025	3 years	581,690
Grepa Realty Holdings Corporation	January 1, 2025	1 year	335,711*
Frame Properties, Inc.	July 25, 2023	3 years	233,218*
Grepa Realty Holdings Corporation	January 1, 2025	1 year	19,448
Frame Properties, Inc.	January 1, 2025	1 year	18,022
Grepa Realty Holdings Corporation	January 1, 2025	1 year	12,701
Grepa Realty Holdings Corporation	January 1, 2025	1 year	7,698*
Grepa Realty Holdings Corporation	January 1, 2025	1 year	5,209

**subject to 5% annual escalation rate*

Rent expense recognized in 2025, 2024 and 2023 amounted ₱5.60 million, ₱13.22 million, and ₱7.5 million, respectively.

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

	2025	2024
Within one year	**₱12,651,999**	₱11,135,885
After one year but not more than five years	**13,253,068**	4,161,011
	₱25,905,067	₱15,296,896

d. The Greyhounds Security and Investigation Agency Corporation entered into an agreement with Grepa Realty Holdings Corporation (GRHC) for the lease of office space. The lease is renewable annually upon mutual agreement by both parties. Rent expense recognized in 2025, 2024 and 2023 amounted to ₱1.30 million, ₱0.81 million, and ₱0.64 million respectively.

e. In 2011, IMI entered into lease agreements with Mapua Information Technology Centers, Inc., Malayan Colleges, Inc. and Malayan High School of Science for canteen spaces. In 2016, the Company started to lease a canteen space from Malayan Colleges Laguna, Inc. In 2022, another canteen space started to lease from Malayan Colleges Mindanao. The Company subleases its leased canteen spaces from the aforementioned related parties to third-party lessees for a period ranging from six (6) months to one (1) year. These sublease agreements are renewable based on mutual agreement of both parties.

f. Hexagon Lounge, Inc. entered into a lease agreement for the lounge and office space it occupies. The lease is renewable annually as may be mutually agreed upon by the parties with monthly minimum lease payments of ₱10,000 or 2% of net restaurant sales, whichever is higher.

g. SLGFI has lease contracts for its branch office premises for a period of 3 years renewable by mutual agreement of the parties at the end of term of the lease.

The carrying amount of right-of-use assets and the movements for the years ended December 31 follow:

	2025	2024
Balance at beginning of year	**₱610,840,289**	₱486,018,030
Additions	**382,459,709**	398,330,404
Pre-termination/expiration	**–**	(58,019,278)
Derecognition/adjustments	**(83,173,941)**	(41,994,089)
Amortization of right-of-use asset	**(178,463,298)**	(173,494,778)
Balance at end of year	**₱731,662,759**	₱610,840,289

In 2025, the carrying amounts of leased land, land improvements and sites, building, office spaces and warehouses and other equipment are ₱335.01 million, ₱140.93 million and ₱10.01 million, respectively.

In 2024, the carrying amounts of leased land, land improvements and sites, building, office spaces and warehouses and other equipment are ₱335.01 million, ₱140.93 million and ₱10.01 million, respectively.

The distribution of the amortization of the Group's right-of-use assets follow:

	2025	2024	2023
Cost of sales and services			
Cost of services	**₱29,602,124**	₱18,091,484	₱–
Tuition and other fees	**51,452,815**	53,284,557	60,220,636
	81,054,939	71,376,041	60,220,636
General and administrative expenses	**97,408,359**	244,777,296	53,184,297
	₱178,463,298	₱316,153,337	₱113,404,933

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

	2025	2024
Balance at beginning of year	**₱730,396,291**	₱607,983,302
Interest expense	**46,066,974**	51,192,938
Additions	**346,869,615**	424,437,016
Derecognition	–	(160,469,948)
Payments	**(282,640,574)**	(192,747,017)
Balance at end of year	**840,692,306**	730,396,291
Less: Current portion	**150,345,529**	167,708,899
Noncurrent portion	**₱690,346,777**	₱562,687,392

Derecognition pertains to termination of lease contracts of closed car dealership branches. The difference between right-of-use asset and lease liability is accounted for under miscellaneous expense of General and administrative expenses in the consolidated statement of income (Note 32).

The following are the amounts recognized in consolidated statement of income:

	2025	2024	2023
Amortization of right-of-use assets under general and administrative expenses	**₱97,408,359**	₱244,777,296	₱53,184,298
Amortization of right-of-use assets under cost of sales and services	**81,054,940**	71,376,041	60,220,636
Expenses relating to short-term leases	**47,459,112**	46,355,625	36,460,000
Interest expense on lease liabilities	**46,066,974**	51,192,938	40,769,409
	₱271,989,385	₱413,701,900	₱190,634,343

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

	2025	2024
Within one year	**₱192,744,993**	₱177,129,758
After one year but not more than five years	**831,562,610**	473,747,854
Five years and more	**236,911,836**	165,088,839
Total	**₱1,261,219,439**	₱815,966,451

23. Goodwill

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

	2025	2024
MESI	**₱137,583,345**	₱137,583,345
IPO	**32,644,808**	32,644,808
Business combination of IPO and AEI	**5,948,111**	5,948,111
	₱176,176,264	₱176,176,264

Goodwill of MESI and IPO

The goodwill recognized in the consolidated statement of financial position amounting ₱137.85 million as at December 31, 2025 and 2024 pertains to the excess of the acquisition cost over the fair values of the net assets of MESI acquired by the Group through IPO in 1999.

In 2025 and 2024, Management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation

The Group performed impairment testing on goodwill arising from acquisition of MESI wherein MESI was considered as the CGU. No impairment testing was done on the goodwill from business combination of IPO and AEI amounting to ₱13.5 million goodwill as the Group assessed it as not material to the consolidated financial statements. In 2025, 2024 and 2023, management assessed that no impairment loss should be recognized.

Key assumptions used in the value in use (VIU) calculation

As at December 31, 2025 and 2024, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

- Future revenues and revenue growth rates. Cash flow projections based on financial budgets approved by management and the BOD covering a five-year period.
- Long-term growth rates (4.66% for 2023 and 5.79% for 2022). The long-term growth rate considers the historical growth rate of MESI and the long-term growth rate for the education industry sector.
- Discount rate (11.4% for 2023 and 14% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.

In 2025 and 2024, management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of CGU to which the goodwill was attributed to materially exceed its recoverable amount.

Goodwill arising from Business Combination

With the effectivity of the merger on May 2, 2019 between IPO and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (AC), IPO became 48.18% owned by HI and 33.5% owned by AC.

As a result of the merger, IPO issued to AC an aggregate of 295,329,976 shares with par value of ₱1.0 per share for a total fair value of ₱3,591.21 million based on IPO's quoted closing rate per share as of May 2, 2019 in exchange for the transfer of the net assets of AEI. The excess of the fair value of shares issued over the par value was recognized as additional paid-in capital.

The IPO Group recognized the following intangible assets in 2019 as a result of the merger (amount in thousands):

Intellectual property rights	₱523,103
Student relationship	116,009
Goodwill	13,472
	₱652,584

Intellectual property rights have infinite life and the student relationship have an estimated useful life of 5 years to 7 years based on the contractual relationship between the school entities and its students. These assets are attributed from the acquisition of operating schools NTC, APEC and UNC.

Intellectual property rights
As of December 31, 2025 and 2024, the Group performed impairment testing on intellectual property rights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

- Revenue projections and long-term growth rate (3% for 2025 and 2024). Revenue projections based on financial budgets approved by management and the BOD. The long-term growth rate considers the expected growth rate in the education industry sector.
- Discount rates (14% to 16% for 2023 and 16% to 17% for 2022). The discount rate used for the computation of the net present value is the weighted average cost of capital and was determined by reference to comparable listed companies in the educational sector.
- Royalty rates (0.5% to 5% for 2023 and 1% to 5% for 2022). This is based on the publicly available information on franchising of educational institutions in the Philippines, with consideration on the operational risk of the involved entity.

The Group's impairment testing resulted to the recognition of ₱12.75 million and ₱32.8 million impairment loss on intellectual property rights of APEC in 2025 and 2024, respectively (nil in 2021).

The carrying value of intellectual property rights as of December 31, 2025 and 2024 amounted to ₱447.7 million in both years (Note 24).

Student Relationship
The carrying value and movement of student relationship as of and for the year ended December 31 follows (amount in thousands):

	2025	2024
Cost from business combination	**₱116,009**	₱116,009
Accumulated amortization:		
Beginning balance	**(113,038)**	(109,977)
Amortization and impairment	**(2,228)**	(3,061)
Ending balance	**(115,266)**	(113,038)
Balance at end of the year	**₱743**	₱2,971

Amortization amounted to ₱2.23 million in 2025, ₱3.1 million in 2024, ₱4.7 million in 2023. In 2021, the Group recognized ₱12.8 million impairment loss on APEC student relationship because the remaining students from the time of the merger in 2019 significantly declined as of December 31, 2021 due to the impact of coronavirus pandemic.

In 2025, management assessed that there is an impairment loss amounting to nil in 2025, ₱7.8 million in 2024, and nil in 2023 on the goodwill from the merger.

24. Other Noncurrent Assets

This account consists of:

	2025	2024
CWT - net of current portion	**₱1,581,184,830**	₱1,378,873,495
Input VAT	**609,611,508**	407,837,852
Intellectual property rights (Note 23)	**447,676,000**	447,676,000
Security deposit	**82,147,118**	62,790,636
Accrued rent income	**56,489,143**	58,867,410
Computer software	**42,671,249**	41,129,138
Advances to contractors	**52,418,216**	–
Student relationship	**742,762**	2,971,048
Others	**97,325,120**	13,841,501
	₱2,970,265,946	₱2,413,987,080

Intellectual property rights and student relationship are the intangible assets acquired in May 2019 through the merger between IPO and AC Education, Inc. (AEI), the wholly owned education arm of Ayala Corporation (see Note 23).

Security deposits include rental and security deposits.

Rollforward of computer software follows:

	2025	2024
Cost		
Balance at beginning of year	**₱207,960,718**	₱157,085,574
Additions	**13,548,966**	50,875,144
Adjustments	**10,886,161**	–
Balance at end of year	**232,395,845**	207,960,718
Accumulated Amortization		
Balance at beginning of year	**166,831,580**	130,795,689
Amortization	**31,741,418**	34,723,168
Reclassifications and adjustments	**(8,848,402)**	1,312,723
Balance at end of year	**189,724,596**	166,831,580
Net Book Value	**₱42,671,249**	₱41,129,138

25. **Accounts Payable and Other Current Liabilities**

This account consists of:

	2025	2024
Accounts payable	**₱2,247,796,721**	₱3,246,048,801
Accrued expenses	**1,542,868,410**	1,400,304,688
Commission payable	**1,039,700,321**	1,139,931,040
Output tax payable	**870,318,419**	1,010,226,046
Installment payable - current portion (Note 19)	**757,448,262**	1,340,936,496
Withholding taxes and others	**727,118,466**	773,641,911
Customer's deposit	**569,110,300**	579,209,692
Provisions	**124,647,074**	187,627,712
Reserve for guards	**60,026,875**	52,397,241
Dividends payable	**56,573,976**	82,744,697
SSS and other contributions	**18,022,198**	16,691,813
Payable to land transportation office	**2,089,661**	8,335,196
Chattel mortgage payable	**967,037**	1,482,047
Miscellaneous payables	**44,348,619**	43,540,444
	₱8,061,036,339	₱9,883,117,824

Accounts payable pertains to the Group's obligation to local suppliers. The normal trade credit terms of accounts payable and accrued expenses of the Group are expected to be settled within the next twelve (12) months.

Accrued expenses consist of:

	2025	2024
Utilities expenses	**₱643,660,801**	₱467,690,179
Payable to suppliers	**318,861,005**	164,900,933
Salaries and wages	**218,932,162**	163,242,966
Security services	**112,978,572**	97,821,867
Interest	**53,729,339**	263,673,518
Professional fees	**53,123,570**	48,285,709
Accrued insurance	**2,171,945**	19,262,261
Others	**139,411,016**	175,427,255
	₱1,542,868,410	₱1,400,304,688

Other accrued expenses mainly consist of accrual for professional fees, outside services, utilities and other expenses that are expected to be settled within one year.

Provisions were provided for claims by third parties in the ordinary course of business. As allowed by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, only a general description is provided as the disclosure of additional details beyond the present disclosures may prejudice the Group's position and negotiation strategies with respect to these matters.

26. **Loans Payable**

The Group availed loans from local banks. These loans are uncollateralized and short-term in nature. These loans have terms up to 1 year and bears interest ranging from 6.05% to 7.15%.

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

	2025	2024
Balance at beginning of year	**₱5,635,000,000**	₱3,971,142,021
Availments	**14,827,525,000**	4,163,500,000
Payments	**(10,063,860,000)**	(2,499,642,021)
Balance at end of year	**₱10,398,665,000**	₱5,635,000,000

Interest expense incurred on these loans follows:

	2025	2024	2023
Continued operation	**₱286,674,460**	₱240,240,741	₱218,596,013
Deconsolidated operation	**–**	–	101,267,748
	₱286,674,460	₱240,240,741	₱319,863,761

27. **Long-term Debt**

Movements in the account follow:

	2025	2024
Balance at beginning of year	**₱2,715,302,650**	₱2,741,811,250
Payments	**(2,457,057,350)**	(32,573,600)
Transaction costs	**3,032,500**	6,065,000
Balance at end of year	**261,277,800**	2,715,302,650
Less current portion	**(32,573,600)**	(32,573,600)
	₱228,704,200	₱2,682,729,050

IPO

Unsecured

The Group, through NTC, entered into a 10-year unsecured term loan facility with a third-party local bank for ₱650.0 million to finance its building refurbishment and/or expansion (see Note 10). The principal payments will be made in 28 quarterly payments starting May 2022. As of December 31, 2020, total drawdown from the long-term loan facility amounted to ₱380 million. The ₱300 million is subject to 5.5% fixed rate and the ₱80 million is subject to annual repricing based on higher of 5.5% or the prevailing one year benchmark rate or done rate of a liquid/active security, as agreed by the parties, with the same tenor if benchmark rate is not reflective of market rate, plus interest spread. In September 2021, the ₱80 million was converted to a 5.5% fixed rate.

The loan is subject to certain covenants including maintaining a maximum debt-to-equity structure ratio (D:E ratio) of 3:1. As of December 31, 2025 and 2024, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Secured
ATYC
On September 29, 2022, ATYC received ₱2.4 billion proceeds from the issuance of promissory note to RCBC that bears annual interest of 6.04%. The promissory note matures within three (3) years from the date of issuance. As of December 31, 2025, ATYC has fully settled the liability and there is no outstanding balance.

Interest expense incurred on these loans follows:

	2025	2024	2023
Continued operation	**₱224,670,113**	₱307,117,187	₱266,394,401
Deconsolidated operation	**–**	–	132,276,354
	₱224,670,113	₱307,117,187	₱398,670,755

The aforementioned loans require the Group to maintain certain financial ratios such as debt-to-equity ratio, current ratio and debt service coverage ratio calculated based on stipulation with the lender banks. As of December 31, 2025 and 2024, the Group was in compliance with all other loan covenants.

28. Insurance Contract Liabilities

This account consists of:

	2025	2024
Life insurance contracts	**₱21,679,463,663**	₱18,559,563,054
Non-life insurance contracts	**22,288,627,048**	29,144,289,801
	₱43,968,090,711	₱47,703,852,855

Life Insurance Contract Liabilities
This account consists of:

	2025	2024
Legal policy reserves - net	**₱17,728,035,173**	₱15,695,879,841
Claims and benefits payable	**1,966,071,519**	1,544,805,052
Insurance payable	**994,920,435**	483,445,315
Policyholders' dividends	**499,454,733**	397,478,059
Premium deposit fund	**490,981,803**	437,957,787
	₱21,679,463,663	₱18,559,563,054

a. *Legal policy reserves*
Details of legal policy reserves follows:

	2025			2024		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
Ordinary life	**₱17,386,422,534**	**₱6,883,251**	**₱17,379,539,283**	₱15,538,907,544	₱6,413,738	₱15,532,493,806
Group life	**702,760,562**	**1,742,108**	**701,018,454**	480,980,070	1,570,453	479,409,617
Accident and health	**132,989,185**	**–**	**132,989,185**	108,634,575	–	108,634,575
Variable life	**(477,931,770)**	**7,579,979**	**(485,511,749)**	(417,979,692)	6,678,465	(424,658,157)
	₱17,744,240,511	**₱16,205,338**	**₱17,728,035,173**	₱15,710,542,497	₱14,662,656	₱15,695,879,841

The insurance contract liabilities include unearned premium reserves (UPR) on group life which amounted to ₱400.03 million and ₱181.00 million in 2025 and 2024, respectively.

The movements during the year in legal policy reserves, net of reinsurance share are as follows:

	2025	2024
At January 1	**₱15,695,879,841**	₱13,405,176,560
Due to change in discount rates	**(93,575,478)**	26,769,259
Due to change in policies and assumptions	**2,125,730,810**	2,263,934,022
At December 31	**₱17,728,035,173**	₱15,695,879,841

The movements in UPR are included under due to changes in policies and assumptions.

The movements in the legal policy reserves due to change in discount rates are recorded under "Remeasurements on legal policy reserves". The rollforward analyses of this account follow:

	2025	2024
At January 1	**(₱13,652,322)**	₱–
Net decrease due to change in discount rate	**47,723,494**	(13,652,322)
At December 31	**(₱34,071,172)**	(₱13,652,322)

b. *Claims and benefits payable*
Details of claims and benefits payable follows:

	2025	2024
Claims payable	**₱1,017,616,169**	₱908,369,043
Maturities and surrenders payable	**948,455,350**	636,436,009
	₱1,966,071,519	₱1,544,805,052

The rollforward analyses of claims and benefits payable follow:

	2025	2024
At January 1	**₱1,544,805,052**	₱1,476,003,441
Arising during the year	**8,228,005,564**	7,564,959,802
Paid during the year	**(7,806,739,097)**	(7,496,158,191)
At December 31	**₱1,966,071,519**	₱1,544,805,052

Claims payable pertain to approved but unpaid claims which are due and demandable. This account also includes incurred but not reported (IBNR) claims that already occurred but notice still has not been received by the Group. The Group estimates reasonable unreported claims based on historical experience.

Maturities and surrenders payable represent claims on matured and surrendered policies which are due and unpaid as at reporting date.

Insurance payables - Life

This account consists of:

	2025	2024
Life insurance deposits	**₱590,160,088**	₱353,841,909
Subscriptions to variable unit-linked funds	**215,369,039**	69,370,667
Due to reinsurers	**9,902,910**	8,772,591
Others	**179,488,398**	51,460,148
	₱994,920,435	₱483,445,315

Life insurance deposits pertain to premiums collected in advance and are not yet credited to premium income until these become due.

Subscriptions to variable unit-linked funds pertain to unremitted contributions to the segregated funds relating to variable unit-linked policies.

Due to reinsurers represents premiums due and unpaid on treaty and facultative reinsurance agreements entered into by the Company.

d. *Premium deposit fund*

This account pertains to funds held for policyholders which bear interest at annual rates ranging from 2.00% to 6.00% in 2025 and 2024. Interest expense of the Group related to premium deposit fund amounted to ₱15.90 million and ₱14.18 million in 2025 and 2024, respectively.

e. *Policyholders' dividends*

Details of policyholder's dividends follows:

	2025	2024
At January 1	**₱397,478,058**	₱313,648,287
Accrual	**66,039,898**	51,280,018
Interest	**11,266,547**	9,795,662
Reversal	**24,670,230**	22,754,092
At December 31	**₱499,454,733**	₱397,478,059

Policyholders' dividends pertain to due and unpaid dividends on participating policies which are in-force for three (3) or more years. Policyholders are given an option to deposit the dividends with the Group to accumulate and earn interest. Interest expense on policyholders' dividends amounted to ₱11.27 million and ₱9.80 million in 2025 and 2024, respectively.

Non-life Insurance Contract Liabilities
This account consists of:

	2025		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities** (Note 12)	**Net**
Provision for claims reported and loss adjustment expenses	**₱10,095,175,749**	**₱6,060,180,353**	**₱4,034,995,396**
Provision for IBNR and margin for adverse deviation (MfAD)	**2,440,431,497**	**1,585,314,776**	**855,116,721**
Total claims reported, IBNR and MfAD	**12,535,607,246**	**7,645,495,129**	**4,890,112,117**
Provision for unearned premiums	**6,452,126,708**	**3,708,936,689**	**2,743,190,019**
Insurance payable	**3,300,893,094**	**–**	**3,300,893,094**
Total insurance contract liabilities	**₱22,288,627,048**	**₱11,354,431,818**	**₱10,934,195,230**

	2024		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities (Note 10)	Net
Provision for claims reported and loss adjustment expenses	₱9,813,511,806	₱6,647,745,178	₱3,165,766,628
Provision for IBNR and margin for adverse deviation (MfAD)	8,305,004,226	7,046,247,275	1,258,756,951
Total claims reported, IBNR and MfAD	18,118,516,032	13,693,992,453	4,424,523,579
Provision for unearned premiums	7,611,805,205	4,661,968,741	2,949,836,464
Insurance payable	3,413,968,564	–	3,413,968,564
Total insurance contract liabilities	₱29,144,289,801	₱18,355,961,194	₱10,788,328,607

a. *Claims reported and IBNR*
This account consists of:

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

b. *Provision for unearned premiums*
This pertains to the proportion of deferred written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired as of the period ended.

c. Insurance payables – Non-life

This account consists of:

	2025	2024
Due to reinsurers	**₱2,136,705,855**	₱2,435,773,048
Funds held for reinsurers	**1,164,187,239**	978,195,516
	₱3,300,893,094	₱3,413,968,564

Due to reinsurers represents premiums due and unpaid on treaty and facultative reinsurance agreements entered into by the Group.

The funds held for reinsurers are interest-bearing ranging from 4.4% to 5.4%.

29. Related Party Transactions

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

Related parties include entities under common control, which pertains to other subsidiaries of PMMIC, which is the Group's ultimate parent company.

The year-end balances and transactions with respect to related parties included in the consolidated financial statements are as follows (amounts in thousands):

Category		Amount/ Volume	Outstanding Balance Receivable (Payable)	Terms	Conditions
Parent Company – PMMIC					
a. Miscellaneous expenses incurred	**2025**	**9,073**	**(4,246)**	Non-interest bearing	Unsecured, unimpaired
	2024	2,060	(2,798)		
Dividends paid	**2025**	**124,643**	–	Non-interest bearing	Unsecured, unimpaired
	2024	34,623	–		
Clinic procedures	**2025**	**200**	**25**	Non-interest bearing	Unsecured, unimpaired
	2024	191	14		
Associates					
b. Management and audit fee income	**2025**	**13,042**	**3,527**	Non-interest bearing	Unsecured, unimpaired
	2024	3,755	2,100		
c. Dividends earned / receivable	**2025**	**86,494**	**12,600**	Non-interest bearing	Unsecured, unimpaired
		88,326	12,500		
	2024				

(Forward)

Category			Amount/ Volume	Outstanding Balance Receivable (Payable)	Terms	Conditions
Entities under common control						
d.	Rental income	**2025**	–	–	Non-interest bearing	Unsecured
		2024	10,458	10,018		
e.	Rendering of janitorial services	**2025**	–	–	Non-interest bearing	Unsecured
		2024	–	–		
f.	Sale of vehicle units	**2025**	–	–	Non-interest bearing	Unsecured
		2024	184,829	–		
g.	Management and audit fee income	**2025**	**207**	**1,068**	Non-interest bearing	Unsecured
		2024	90	2,434		
h.	Clinic procedures	**2025**	**3,820**	**1,075**	Non-interest bearing	Unsecured
		2024	4,128	802		
i.	Dividends earned / receivables	**2025**	**5,006**	–	Non-interest bearing	Unsecured
		2024	7,164	–		
j.	Construction-related payments	**2025**	–	–	Non-interest bearing	Unsecured
		2024	–	–		
k.	Insurance expense	**2025**	**24,623**	–	Non-interest bearing	Unsecured
		2024	17,932	–		
l.	Rental of office space	**2025**	**20,108**	**3,137**	Non-interest bearing	Unsecured
		2024	14,498	411		
m.	Cash and cash equivalents	**2025**	–	**4,884,099**	Non-interest bearing	Unsecured
		2024	–	5,808,411		
n.	Interest income	**2025**	**94,020**	–	Non-interest bearing	Unsecured
		2024	99,615	–		
o.	Financial assets at FVPL	**2025**	–	**11,330**	Non-interest bearing	Unsecured
		2024	–	8,022		
p.	Short-term investments	**2025**	–	**113,416**	Non-interest bearing	Unsecured
		2024	–	77,143		
q.	Loan payables and installment payable	**2025**	–	**1,737,448**	Interest bearing	Unsecured
		2024	–	3,055,385		
r.	Interest expense	**2025**	**164,326**	**2,346**	Non-interest bearing	Unsecured
		2024	144,517	137,258		
s.	Retirement fund	**2025**	**39,726**	–	Non-interest bearing	Unsecured
		2024	30,680	3,544		
Other affiliates						
t.	Management fee	**2025**	**545,645**	**(149,727)**	Non-interest bearing	Unsecured
		2024	506,133	(148,079)		
u.	Management and audit fee income	**2025**	–	–	Non-interest bearing	Unsecured
		2024	–	–		
	Receivable from related parties	**2025**		**4,595**		
		2024		4,534		
	Due to related parties	**2025**		**(153,973)**		
		2024		(148,012)		

The Group maintains its retirement fund with RCBC trust division. As at December 31, 2025 and 2024, the fair values of the plan assets of the retirement fund amounted to ₱1,108.96 million and ₱974.1 million, respectively (Note 32). Trust fees amounting to ₱0.9 million, ₱0.9 million, and ₱0.5 million were recognized by the retirement plan arising from its transactions with RCBC for the years ended December 31, 2025, 2024 and 2023, respectively.

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

	2025	2024	2023
Compensation and short-term benefits	**₱523,536,139**	₱632,989,605	₱517,037,183
Post-employment benefits	**237,161,739**	262,519,769	24,827,707
	₱760,697,878	₱895,509,374	₱541,864,890

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. These mainly consist of advances and reimbursement of expenses. The Group has not recognized any impairment on amounts due from related parties for the years ended December 31, 2025, 2024 and 2023. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Identification, review and approval of related party transactions
Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements. All material related party transactions shall be reviewed by the Group's Corporate Governance Committee and approved by the BOD with at least 2/3 votes of BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

30. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers for the years ended December 31:

	2025	2024	2023
Revenue from sale of services	**₱33,364,689,202**	₱28,935,613,525	₱2,041,058,483
Revenue from sale of goods	**4,087,146,227**	4,615,226,208	4,561,727,510
Revenue from school and related operations	**6,222,194,722**	5,321,725,877	4,491,425,637
	₱43,674,030,151	₱38,872,565,610	₱11,094,211,630

Disaggregation of Revenue from Sale of Services

	2025	2024	2023
Financial services	**₱30,992,000,811**	₱26,718,209,196	₱–
Leasing services	**910,732,067**	871,805,937	781,195,919
Automotive services	**830,781,855**	832,911,678	767,776,317
Admin and management services	**412,372,417**	299,432,105	282,915,155
Death care services	**161,550,814**	158,703,037	152,524,092
Security services	**57,251,238**	54,551,572	56,647,000
	₱33,364,689,202	₱28,935,613,525	₱2,041,058,483

Financial Services
Revenue from financial services consist of:

	2025	2024
Insurance premiums - life, net	**₱18,583,856,131**	₱14,492,934,364
Insurance premiums - non-life, net	**5,515,821,503**	5,185,324,569
Investments and other income, net	**4,104,262,719**	4,479,102,811
Fee income	**1,682,804,413**	1,533,815,329
Commission income	**566,635,557**	550,526,846
Trust income	**538,620,488**	476,505,277
	₱30,992,000,811	₱26,718,209,196

a. *Insurance premiums - life, net consist of:*

	2025	2024
Variable life	**₱11,499,752,183**	₱8,264,584,134
Ordinary life insurance	**3,122,990,230**	3,838,104,627
Group life insurance	**3,996,542,139**	2,422,156,531
Reinsurance assumed	**290,688**	278,906
Reinsurers' share of gross premiums on insurance contracts:		
Ordinary life insurance	**(30,909,996)**	(27,365,305)
Group life insurance	**(4,809,113)**	(4,824,529)
	₱18,583,856,131	₱14,492,934,364

b. *Insurance premiums - non-life, net consist of:*

	2025	2024
Gross premiums on insurance contracts	**₱13,351,343,309**	₱15,071,069,393
Gross change in provision for unearned premiums	**1,159,689,055**	(643,726,006)
Gross premiums earned	**14,511,032,364**	14,427,343,387
Reinsurers' share of gross premiums on insurance contracts	**8,041,492,230**	9,703,130,206
Reinsurers' share of gross change in provision for unearned premiums	**953,718,631**	(461,111,388)
Reinsurers' share of gross premiums earned on insurance contacts	**8,995,210,861**	9,242,018,818
Net premiums earned	**₱5,515,821,503**	₱5,185,324,569

c. *Investment and other income, net consist of:*

	2025	2024
Interest income	**₱2,038,125,804**	₱1,868,439,257
Segregated Fund	**1,546,252,530**	2,305,942,788
Dividend income	**194,299,980**	210,369,616
Gain - FVTPL investments	**146,572,372**	28,277,850
Foreign exchange gains	**138,973,438**	44,305,610
Gain on sale of assets	**31,267,000**	6,528,177
Increase in investment in segregated funds	**8,771,595**	15,239,513
	₱4,104,262,719	₱4,479,102,811

d. *Fee income consist of:*

	2025	2024
Management fees	**₱623,329,975**	₱636,625,413
Cost of insurance	**574,159,147**	428,058,794
Periodic charges	**461,981,345**	439,058,524
Policy administration fees	**23,333,946**	30,072,598
	₱1,682,804,413	₱1,533,815,329

Disaggregation of Revenue from Sale of Goods

	2025	2024	2023
Merchandise sales			
Vehicle units	**₱3,766,636,769**	₱4,283,332,403	₱4,534,024,207
Parts and Accessories	**299,767,228**	311,099,624	7,648,805
Food and Beverage	**20,742,230**	20,794,181	20,054,498
	₱4,087,146,227	₱4,615,226,208	₱4,561,727,510

Disaggregation of Revenue from School and Related Operations:

	2025	2024	2023
Tuition and other matriculation fees	**₱5,895,938,211**	₱5,107,129,714	₱4,220,006,288
Other student-related income	**326,256,511**	214,596,163	271,419,349
	₱6,222,194,722	₱5,321,725,877	₱4,491,425,637

31. Cost of Sales and Services

This account consists of:

	2025	2024	2023
Cost of services	**₱26,311,598,561**	22,715,717,211	₱814,281,045
Cost of merchandise sold	**3,991,018,891**	4,493,450,106	4,399,400,290
Cost of school and related operations	**3,693,706,730**	3,165,945,105	2,853,889,258
	₱33,996,324,182	₱30,375,112,422	₱8,067,570,593

Disaggregation of Costs from Sale of Services

	2025	2024	2023
Financial services	**₱25,437,606,127**	₱21,886,207,676	₱–
Materials, parts and accessories	**342,054,747**	332,506,317	247,648,823
Depreciation and amortization	**127,875,936**	123,103,981	106,488,876
Personnel expenses	**119,689,061**	114,420,896	170,061,084
Others	**284,372,690**	259,478,341	290,082,262
	₱26,311,598,561	₱22,715,717,211	₱814,281,045

Financial services
Costs of financial services in 2025 consists of:

	2025	2024
Insurance contract benefits and claims paid – life:		
Insurance benefits and claims incurred, net	**₱8,217,691,171**	₱7,558,239,355
Change in variable unit-linked segregated fund liabilities, net	**6,886,565,519**	4,621,842,223
Change in legal policy reserves, net (Note 28)	**2,125,730,810**	2,263,934,022
Insurance contract benefits and claims paid – non-life:		
Gross insurance contract benefits and claims paid	**4,265,323,723**	6,570,067,363
Reinsurers' share of gross insurance contract benefits and claims paid	**(1,538,142,359)**	(4,320,886,077)
Gross change in insurance contract liabilities	**(5,569,954,447)**	(5,531,269,732)
Reinsurers' shares of gross change in insurance contract liabilities	**6,055,023,975**	6,316,020,155
Commission expense	**3,549,850,022**	3,897,282,812
Other underwriting expense	**1,445,517,713**	510,977,555
	₱25,437,606,127	₱21,886,207,676

Insurance benefits and claims incurred in 2025, net consists of:

	2025	2024
Claims	**₱904,842,903**	₱847,449,102
Maturities and surrenders	**990,514,351**	674,905,475
Experience refunds	**82,207,075**	64,922,586
Policyholders' dividends (Note 28)	**66,039,897**	51,280,018
General fund	**2,043,604,226**	1,638,557,181
Segregated funds (Note 11)	**6,184,401,338**	5,926,402,621
Insurance contract benefits and claims incurred	**8,228,005,564**	7,564,959,802
Reinsurers' share	**(10,314,393)**	(6,720,447)
	₱8,217,691,171	₱7,558,239,355

Change in variable unit-linked segregated fund liabilities in 2025 consists of:

	2025	2024
Subscriptions allocated to unit-linked funds	**₱11,499,752,183**	₱8,264,584,134
Investment income - net	**1,571,214,674**	2,283,660,710
Withdrawals and redemptions	**(6,184,401,338)**	(5,926,402,621)
Net change in variable unit-linked	**₱6,886,565,519**	₱4,621,842,223

Gross insurance contract benefits and claims paid consist of:

	2025	2024
Gross insurance contract benefits and claims paid:		
Direct insurance	**₱3,979,316,664**	₱6,071,150,214
Assumed reinsurance	**286,007,059**	498,917,149
Total gross insurance contract benefits and claims paid	**₱4,265,323,723**	₱6,570,067,363

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

	2025	2024
Reinsurers' share of insurance contract benefits and claims paid:		
Direct insurance	**(₱1,631,881,865)**	(₱4,180,397,271)
Assumed reinsurance	**93,739,506**	(140,488,806)
Total reinsurers' share of gross insurance contract benefits and claims paid	**(₱1,538,142,359)**	(₱4,320,886,077)

Gross change in insurance contract liabilities consist of:

	2025	2024
Change in provision for claims reported:		
Direct insurance	**₱317,440,663**	(₱4,190,548,046)
Assumed reinsurance	**(22,567,034)**	(1,446,160,363)
Change in provision for IBNR	**(5,864,828,076)**	105,438,677
Total gross change in insurance contract liabilities	**(₱5,569,954,447)**	(₱5,531,269,732)

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

	2025	2024
Reinsurers' share of gross insurance contract liabilities:		
Direct insurance	**₱587,258,007**	₱5,015,689,398
Assumed reinsurance	**6,770,758**	1,177,587,237
Change in provision for IBNR	**5,460,995,210**	122,743,520
Total reinsurers' share of gross change in insurance contract liabilities	**₱6,055,023,975**	₱6,316,020,155

Disaggregation of Costs from Sale of Merchandise

	2025	2024	2023
Inventory, beginning	**₱398,314,089**	₱532,627,643	₱418,870,257
Purchases	**4,051,037,121**	4,359,136,552	4,513,157,676
Total goods available for sale	**4,449,351,210**	4,891,764,195	4,932,027,933
Less: Inventory, ending	**458,332,319**	398,314,089	532,627,643
	₱3,991,018,891	₱4,493,450,106	₱4,399,400,290

Disaggregation of Costs from School and Related Operations

	2025	2024	2023
Personnel expenses	**₱1,672,662,725**	1,449,215,507	₱1,253,793,903
Depreciation and amortization	**500,484,590**	446,139,401	446,541,606
Student-related expenses	**311,876,060**	263,381,998	200,928,997
IT expense - software license	**287,818,067**	214,248,564	140,149,480
Management and other professional fees	**225,620,852**	183,562,435	171,737,847
Periodicals	**201,797,267**	172,421,151	165,340,990
Utilities	**160,371,121**	149,662,558	131,230,639
Research and development fund	**49,307,848**	45,988,307	38,288,718
Accreditation cost	**46,351,117**	15,096,406	40,130,081
Repairs and maintenance	**45,847,898**	54,155,650	42,443,863
Tools and library books	**42,241,018**	56,056,943	40,494,558
Seminar	**20,654,536**	18,389,299	12,768,487
Insurance	**20,396,021**	16,154,639	18,802,694
Transportation and travel	**12,735,672**	8,400,642	4,640,168
Office supplies	**10,887,256**	14,313,466	7,180,366
Advertising	**5,213,707**	1,509,889	102,865,714
Taxes and licenses	**5,105,374**	4,621,438	9,241,956
Rent	**2,112,780**	10,876,687	5,843,131
Entertainment, amusement and recreation	**1,849,939**	1,137,748	1,576,256
Miscellaneous	**70,372,882**	40,612,377	19,889,804
	₱3,693,706,730	₱3,165,945,105	₱2,853,889,258

32. **Other Income** - net

This account consists of:

	2025	2024	2023
Interest income	**193,219,989**	₱172,633,336	₱115,450,699
Gain on sale of assets	**83,216,678**	42,015,741	5,030,534
Rental income	**35,726,385**	25,833,638	23,713,862
Space and car rental	**29,291,459**	36,085,311	7,031,779
Gain (loss) - FVTPL Investments	**26,786,970**	30,346,833	–
Dividend income (Notes 16)	**22,870,571**	26,818,892	816,700
Clinic charges	**17,820,516**	17,912,131	–
Foreign exchange gain (loss)	**11,984,334**	8,163,601	(3,458,049)
Remeasurement loss	**–**	(245,052,123)	–
Miscellaneous	**55,948,583**	82,141,046	94,896,659
	₱476,865,485	₱196,898,406	₱243,482,184

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

Interest income consists of income from:

	2025	2024	2023
Cash and cash equivalents (Note 8)	**₱186,820,505**	₱166,109,508	₱114,552,290
Others	**6,399,484**	6,523,828	898,409
	₱193,219,989	₱172,633,336	₱115,450,699

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

	2025	2024	2023
Property and equipment (Note 20)	**₱65,484,361**	₱13,147,802	₱5,030,534
Financial assets - FVTPL, FVOCI, Amortized cost	**15,396,195**	13,513,528	–
Investment properties (Note 19)	**2,336,122**	15,354,411	–
	₱83,216,678	₱42,015,741	₱5,030,534

Miscellaneous include income from sale of sludge and used oil, rebate from purchase of fuel, commission income, income from reversal of impairment, among others.

33. General and Administrative Expenses

This account consists of:

	2025	2024	2023
Personnel expenses	**₱2,106,879,471**	₱1,976,640,770	₱512,934,978
Taxes, licenses and fees	**406,318,897**	389,577,471	176,009,405
Depreciation and amortization	**393,037,245**	368,410,288	127,936,522
Advertising and promotions	**371,573,595**	369,796,943	184,542,375
Office expense	**306,867,847**	358,711,242	55,556,837
Security, janitorial and utilities	**216,904,874**	211,774,900	42,985,999
Professional fees	**202,430,523**	182,778,891	34,982,295
Provision for (recovery of) impairment of assets	**216,404,137**	18,228,897	–
Rent, light and water	**186,365,860**	199,368,685	63,673,217
Repairs and maintenance	**133,994,662**	130,339,253	32,611,393
Direct selling expenses	**120,919,923**	78,778,262	17,459,269
Provision for probable losses	**112,495,814**	66,367,247	43,502,994
Transportation and travel	**93,707,171**	96,892,101	28,971,217
Seminars	**93,222,020**	91,280,267	8,157,283
Commission	**53,691,191**	44,270,100	48,420,017
Insurance expense	**51,055,171**	32,323,435	25,222,843
Management and other fees	**36,435,123**	38,015,367	152,147,455
Entertainment, amusement and recreation	**17,419,836**	33,816,869	23,728,462
Donations and charitable contribution	**8,400,610**	11,423,002	5,680,236
Provision for inventory obsolescence	**5,069,149**	3,448,071	651,221

(Forward)

	2025	2024	2023
Provision for impairment of intellectual property rights	**₱–**	₱–	₱32,771,071
Recovery of provision for impairment of inventories	**–**	–	(24,097,236)
Miscellaneous	**255,782,955**	157,286,167	86,977,976
	₱5,388,976,074	₱4,859,528,228	₱1,680,825,829

Miscellaneous expense includes dues and subscriptions, periodicals, training and seminar, bank charges, legal and notarial services and other admin charges.

34. Depreciation and Amortization

This account consists of depreciation and amortization from continued operation as follows:

	2025	2024	2023
Cost of sales and services (Note 31)			
School and related operations	**₱500,484,590**	₱446,139,401	₱446,541,606
Manpower and other services	**127,875,935**	123,103,981	106,488,877
	628,360,525	569,243,382	553,030,483
General and administrative expenses (Note 33)	**393,037,245**	368,410,288	127,936,522
	₱1,021,397,770	₱937,653,670	₱680,967,005

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

	2025	2024	2023
Property and equipment (Note 20)	**₱702,222,416**	₱1,160,094,155	₱476,222,622
Investment property (Note 19)	**106,742,352**	103,067,217	95,735,543
Right-of-use asset (Note 22)	**178,463,299**	173,494,778	90,289,014
Computer software (Note 24)	**31,741,418**	34,723,168	13,992,941
Student relationship	**2,228,286**	2,295,864	4,726,885
	₱1,021,397,770	₱1,473,675,182	₱680,967,005

35. Interest and Finance Charges

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

	2025	2024	2023
Loans payable (short-term) (Note 26)	**₱286,674,460**	₱240,240,742	₱218,596,013
Long-term debt (Note 27)	**224,670,113**	307,117,187	266,394,401
Lease liabilities (Note 22)	**63,690,713**	77,895,808	40,779,802
Advances to affiliates and other finance charges	**3,168,530**	5,278,615	8,900
	₱578,203,816	₱630,532,352	₱525,779,116

36. Retirement Plan

The Group has funded, noncontributory retirement plans (the Plans) for all of its regular employees, in compliance with RA No. 7641, The New Retirement Pay Law. The Plans provide for normal, early retirement, death, and disability benefits. The most recent actuarial valuation was made for the Group's retirement plans as of December 31, 2025.

The following tables summarize the components of the benefit expense recognized in the consolidated statements of comprehensive income and amounts recognized in the consolidated statements of financial position for the retirement plans.

	2025	2024
Retirement liabilities	**₱807,377,239**	₱847,990,521
Retirement assets	**126,011,710**	147,337,007
Net retirement liabilities	**₱681,365,529**	₱700,653,514

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

	2025	2024	2023
Current service cost	**₱151,849,578**	₱118,069,674	₱47,642,825
Net interest cost	**38,826,855**	36,533,084	63,929,987
	₱190,676,433	₱154,602,758	₱111,572,812

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

Net retirement liabilities	**2025**	2024
Present value of defined benefit obligation	**₱1,960,270,347**	₱1,822,051,276
Fair value of plan assets	**(1,152,893,108)**	(974,060,755)
	₱807,377,239	₱847,990,521

Net retirement assets	**2025**	2024
Present value of defined benefit obligation	**₱55,459,612**	₱53,343,840
Fair value of plan assets	**(181,617,803)**	(203,994,911)
Effect of asset ceiling	**146,481**	3,314,064
	(₱126,011,710)	(₱147,337,007)

The movements in the net retirement liability follow:

	2025	2024
Balance at beginning of year	**₱847,990,521**	₱684,971,029
Net retirement expense	**209,931,799**	141,295,515
Adjustment to defined benefit obligation	**(48,898,374)**	(11,135,137)
Derecognition/ transfer	**–**	146,445,004
Benefit paid	**(51,938,258)**	–
Contributions	**(234,663,545)**	(215,711,020)
Remeasurement gain	**84,955,096**	102,125,130
Balance at end of year	**₱807,377,239**	₱847,990,521

The movements in the present value of defined obligation follow:

	2025	2024
Balance at beginning of year	**₱1,822,051,276**	₱1,588,764,821
Current service cost	**151,849,578**	133,365,966
Interest cost on obligation	**97,443,480**	99,577,235
Derecognition/transfer	–	36,761,051
Benefits paid	**(165,861,077)**	(119,544,917)
Remeasurement gain	**54,787,090**	83,127,120
Balance at end of year	**₱1,960,270,347**	₱1,822,051,276

The movements in the fair value of plan assets follow:

	2025	2024
Balance at beginning of year	**₱974,060,756**	₱922,782,967
Contributions	**288,321,221**	205,693,519
Derecognition/transfer	–	(79,583,964)
Asset return in net interest cost	**58,616,625**	53,262,784
Adjustments to plan assets	**(169,878)**	3,275,480
Remeasurement loss	**(27,044,998)**	(20,757,680)
Benefits paid	**(140,890,618)**	(110,612,351)
Balance at end of year	**₱1,152,893,108**	₱974,060,755

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

	2025	2024
Cash	**₱340,086,750**	₱299,664,929
Investment in government securities	**743,423,368**	347,875,304
Investments in shares of stock	**121,928,111**	206,561,457
Investments in other securities and debt instruments	**123,831,743**	284,096,739
Interest receivables and other receivables	**8,685,076**	8,946,589
Accrued trust fees and other payables	**(29,063,263)**	(30,338,352)
	₱1,308,891,785	₱1,116,806,666

The Group expects to contribute ₱181.80 million to its defined benefit retirement plans in 2026.

The Retirement fund (Fund) of the Group is being maintained and managed, in trust, by RCBC Trust and Investment Group (TIG), an affiliate financial institution. Investment in shares of stocks comprised of investments in shares within the Group that are traded in the Philippine Stock Exchange.

Trust fees paid in 2025, 2024 and 2023 amounted ₱1.11 million, ₱0.88 million, and ₱0.69 million, respectively.

The composition of the fair value of the trust fund includes:

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

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

Investment in equity securities - include investment in common and preferred shares traded in the Philippine Stock Exchange.

Investment in debt and other securities - include investment in long-term debt notes and retail bonds.

Interest and other receivables - pertain to interest and dividends receivable on the investments in the fund.

In 2025, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱147.29 million and ₱4.2 million, respectively.

In 2024, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱145.97 million and ₱3.6 million, respectively.

The voting rights of the above equity securities were assigned to RCBC TIG, being the investment manager who manages and administers the investments and reinvestments of the fund.

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

	2025	2024
Discount rate		
Beginning	**5.01%-6.13%**	6.03%-7.02%
End	**4.95%-6.31%**	5.01%-6.13%
Future salary increases		
Beginning	**3.48%-6.00%**	3.07%-6.00%
End	**3.31%-6.00%**	3.48%-6.00%

The sensitivity analysis that follows has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as of the end of financial reporting date, assuming all other assumptions were held constant.

	2025		2024	
	Increase (decrease)	**Effect on defined benefit obligation**	Increase (decrease)	Effect on defined benefit obligation
Discount rates	+50bps to +100bps	**(₱348,000,076)**	+50bps to +100bps	(₱202,278,987)
	-50bps to -100bps	**415,422,076**	-50bps to -100bps	230,923,629
Salary increase rates	+50bps to +100bps	**459,224,498**	+50bps to +100bps	427,232,625
	-50bps to -100bps	**(374,142,185)**	-50bps to -100bps	(353,625,667)

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

	2025	2024
Less than one year	**₱128,850,526**	₱142,132,346
More than one to five years	**528,881,667**	452,817,902
More than five years	**8,674,061,289**	2,661,958,369

The average duration of the defined benefit obligation ranges from 6 to 21 and 8 to 20 years as of December 31, 2025 and 2024, respectively.

In 2025, the corresponding remeasurement on the retirement liability of employees transferred to HCI were closed from OCI to retained earnings amounting to ₱10.47 million.

37. **Income Taxes**

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

	2025	2024	2023
Statutory income tax rate	**25.00%**	25.00%	25.00%
Add (deduct) reconciling items:			
Movement of deferred income tax assets not recognized	**3.84**	3.52	0.21
Equity in net earnings of associates and joint venture	**(7.34)**	(10.31)	(9.89)
Income subject to final taxes and lower rates	**(6.86)**	(6.43)	(9.78)
Others	**3.96**	4.14	6.18
Effective income tax rate	**18.60%**	15.92%	(11.72%)

All companies in the Group are subject to the RCIT rate of 25%, except for MESI, MHSSI, MCLI, MCMI, UNC, NTC and APEC which are subject to a lower tax rate of 10% to be applied to proprietary educational institutions and hospitals.

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

	2025	2024
Net deferred tax assets on a per subsidiary level:		
Retirement	**₱179,091,129**	₱186,493,767
Deferred income	**(10,168,374)**	62,905,521
MCIT	**27,311,661**	60,642,003
Allowance for ECL, inventory, obsolescence and other expenses	**90,628,112**	58,017,067
Leases	**57,205,931**	24,943,171
NOLCO	**216,182,927**	8,583,069
Others	**641,150,965**	625,938,233
	₱1,201,402,351	₱1,027,522,831
Net deferred tax liabilities on a per subsidiary level:		
Revaluation increment on land	**₱2,229,844,852**	₱2,147,433,178
Right-of-use asset	**18,489,793**	(7,151,184)
Accrued expenses	**(17,187,519)**	
Retirement	**(44,802,410)**	(39,984,959)
Others	**26,194,968**	1,671,374
	₱2,212,539,684	₱2,101,968,409

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

	2025	2024
Balance at beginning of year	**₱1,074,445,578**	₱1,158,528,327
Tax expense (income) recognized in:		
Other comprehensive income (loss)	**(6,285,770)**	16,089,864
Other adjustments	**(171,049,253)**	(220,758,043)
Profit and loss	**114,026,778**	120,585,430
	₱1,011,137,333	₱1,074,445,578

The Group did not recognize deferred tax assets on the following temporary differences because the Group believes that it may not be probable that sufficient taxable income will be available in the near foreseeable future against which the tax benefit can be realized.

	2025	2024
NOLCO	**₱86,288,000**	₱31,083,391
Allowance for inventory obsolescence	**24,097,263**	24,097,263
Estimated credit losses on receivables	**58,177,992**	56,474,992
MCIT	**1,356,311**	1,356,311
Accrued retirement expense	**3,723,302**	2,670,302

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations (RR) No. 25-2020 implementing Section 4 (bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2025, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2021	₱229,200,542	₱118,811,090	₱–	₱110,389,452	2026
2020	256,381,702	3,604,406	–	252,777,296	2025
	₱485,582,244	₱122,415,496	₱–	₱363,166,748	

As of December 31, 2025, the amount of NOLCO incurred after taxable year 2021 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2025	₱842,025,034	₱–	₱–	₱842,025,034	2028
2024	13,759,686	–	–	13,759,686	2027
2023	66,307,938	–	–	66,307,938	2026
2022	60,541,134	60,541,134	–	–	2025
	₱982,633,792	₱60,541,134	–	₱922,092,658	

As of December 31, 2025, the amounts of MCIT still allowable as tax credit consist of:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2025	₱9,776,765	₱–	₱–	₱9,776,765	2028
2024	7,146,086	–	–	7,146,086	2027
2023	2,860,229	–	–	2,860,229	2026
2022	1,310,353	1,310,353	–	–	2025
	₱21,093,433	₱1,310,353	₱–	₱19,783,080	

38. **Earnings Per Share**

Basic and diluted earnings (loss) per share amounts attributable to equity holders of the Group are computed as follows:

Basic earnings (loss) per share

	2025	2024	2023
Net income attributable to equity holders of parent company	**₱2,142,208,747**	₱1,376,817,147	₱440,794,487
Less dividends attributable to preferred shares	**–**	–	–
Net income applicable to common shares	**2,142,208,747**	1,376,817,147	440,794,487
Divided by the weighted average number of common shares	**1,469,302,230**	1,469,302,230	1,469,302,230
Basic earnings per share	**₱1.4580**	₱0.9371	₱0.3000

Diluted earnings (loss) per share

	2025	2024	2023
Net income applicable to common share for basic earnings per share	**₱2,142,208,747**	₱1,376,817,147	₱440,794,487
Net income applicable to common stockholders for diluted earnings per share	**2,142,208,747**	1,376,817,147	440,794,487
Weighted average number of shares of common stock	**1,469,302,230**	1,469,302,230	1,469,302,230
Weighted average number of shares of common stock for diluted earnings per share	**1,469,302,230**	1,469,302,230	1,469,302,230
Diluted earnings per share	**₱1.4580**	₱0.9371	₱0.3000

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

	2025	2024	2023
Number of shares of common stock issued	**1,469,602,230**	1,469,602,230	776,765,281
Less treasury shares	**300,000**	300,000	300,000
	1,469,302,230	1,469,302,230	776,465,281

39. **Capital Stock**

Preferred stock
The authorized preferred stock is 2,500,000,000 shares at ₱0.40 par value. There are no preferred shares outstanding as at December 31, 2025 and 2024.

Common stock
The authorized common stock is 1,250,000,000 shares at ₱1.50 par value.

A reconciliation of the number of common shares outstanding as at December 31, 2025, 2024 and 2023 follows:

	2025		2024		2023	
	Amount	**Shares**	Amount	Shares	Amount	Shares
Balance at beginning of year	**₱2,204,403,346**	**1,469,602,230**	₱2,204,403,346	1,469,602,230	₱1,165,147,922	776,765,281
Issuance of new shares	–	–	–	–	1,039,255,424	692,836,949
Balance at end of year	**2,204,403,346**	**1,469,602,230**	2,204,403,346	1,469,602,230	2,204,403,346	1,469,602,230
Treasury stock	**(2,607,600)**	**(300,000)**	(2,607,600)	(300,000)	(2,607,600)	(300,000)
	₱2,201,795,746	**1,469,302,230**	₱2,201,795,746	1,469,302,230	₱2,201,795,746	1,469,302,230

On April 25, 2023, the BOD of the Parent Company approved the resolution to increase the authorized capital stock of the Parent Company from ₱2,875 million divided into 1,250,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share to ₱3,205 million divided into 1,470,000,000 common shares with par value of ₱1.50 per share and 2,500,000,000 preferred shares with par value of ₱0.40 per share.

On December 29, 2023, the Securities and Exchange Commission (SEC) approved the amendment of the Parent Company's Articles of Incorporation for the increase in its authorized capital stock relative to the share swap agreement between the Parent Company and GPL Holdings, Inc. (GPLHI) and PMMIC. Under the share swap agreement with GPLHI, the Parent Company issued 221,716,590 common shares to GPLHI in exchange for the acquisition of GPLH's 51% ownership over SunLife Grepa Financial, Inc. (SGFI) and 73,416,558 common shares in exchange for the acquisition of Grepa Realty Holdings Corporation (GRHC's) 51% ownership. Under the share swap agreement with PMMIC, the Parent Company issued 397,703,801 common shares to PMMIC in exchange for the acquisition of PMMIC's 77.33% ownership over MICO Equities, Inc. (MEI). As a result of the share swap agreements, the Parent Company recorded an increase in "Common Stock" and "Additional Paid-in Capital" amounting to ₱1.04 billion and ₱14.70 billion, respectively. The share swaps were accounted as noncash investing activities in the 2023 parent company statement of cash flows.

The following are summarized net assets of the following subsidiaries:

Account	MEI	SLGFI
Cash and cash equivalents	₱2,699,665,724	₱1,468,469,409
Receivables	8,749,984,821	537,136,247
Reinsurance assets	24,230,398,085	–
FVOCI	7,473,695,109	15,077,443,196
Other assets	8,236,718,299	44,210,988,068
Accounts payable and other current liabilities	(4,074,248,961)	(569,362,754)
Long-term notes and loans payable	(35,379,435,131)	–
Retirement liability	(352,662,099)	(77,765,400)
Other liabilities	(278,154,424)	(53,542,114,672)
Net assets	₱11,305,961,423	₱7,104,794,094

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

SEC approved the registration of the Parent Company's authorized capital stock before its listing date with the PSE, which was on July 2, 1962. The actual number of shares initially listed were 584,085 shares at an offer price of ₱10.0 per share. Total number of common shareholders was 363 and 367 as of December 31, 2025 and 2024, respectively.

Capital Management

The main thrust of the Group's capital management policy is to ensure that the Parent Company maintains a good credit standing and a sound capital ratio to be able to support its business and maximize the value of its shareholders equity.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2025 and 2024.

Regulatory Framework

Regulators are interested in protecting the rights of the policyholders and maintain close vigil to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Group maintains appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

Regulatory Capital Requirement

On January 13, 2015, the IC issued Circular Letter No. 2015-02-A clarifying the minimum capitalization and networth requirements of new and existing insurance companies in the Philippines. Based on the said Circular Letter, all domestic life and nonlife insurance companies duly licensed by the IC must have a net worth of at least ₱550,000,000 by December 31, 2016.

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

Minimum Net worth	**Compliance Date**
₱550,000,000	December 31, 2016
900,000,000	December 31, 2021
1,300,000,000	December 31, 2022

As of December 31, 2025 and 2024, The Group has complied with the minimum paid-up capital and net worth requirements.

Risk-based Capital Requirements (RBC)

Life Insurance

In 2006, the IC issued Memorandum Circular (IMC) No. 6-2006 adopting a risk-based capital framework to establish the required amounts of capital to be maintained by the life insurance companies in relation to their investment and insurance risks. The investments and insurance risks of the company are classified under four major categories as asset default risk, insurance pricing risk, interest rate risk and general business risk.

The RBC ratio shall be calculated as net worth divided by the RBC requirement. Net worth shall include the company's paid-up capital, capital in excess of par value, contributed and contingency surplus and unassigned surplus. Revaluation and fluctuation reserve accounts shall form part of net worth only to the extent authorized by the IC.

In 2016, the IC issued Circular Letter No. 2016-68, Amended Risk-Based Capital (RBC2) Framework, pursuant to Section 437 of the Amended Insurance Code. The RBC ratio shall be calculated as Total Available Capital (TAC) divided by the RBC requirement.

TAC is the aggregate of Tier 1 and Tier 2 capital minus deductions, subject to applicable limits and determinations. Tier 1 Capital represents capital that is fully available to cover losses of the insurer at all times on a going-concern and winding up basis (e.g. Capital Stock, Statutory Deposit, Capital Stock Subscribed, Contributed Surplus, etc.). Tier 2 Capital does not have the same high quality characteristics of Tier 1 capital, but can provide an additional buffer to the insurer [e.g. Appraisal Increment – Property and Equipment, Remeasurement Gains (Losses) on Retirement Pension Asset (Obligation)]. Tier 2 Capital shall not exceed 50% of Tier 1 Capital.

Every life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. The trend test has failed, in the event that:
a. The RBC ratio is less than 125% but is not below 100%
b. The RBC ratio has decreased over the past year
c. The difference between RBC ratio and the decrease in the RBC ratio over the past year is less than 100%

Failure to meet the RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

Below is the estimated RBC ratio in 2025 and approved RBC ratio in 2024 (based on IC approved Synopsis) for SLGFI:

	2025 (Estimated)	2024 (Actual)
Total available capital	**₱6,170,111,401**	₱7,387,821,679
RBC requirement	**100%**	100%
	652%	519%

The RBC ratio in 2025 can be determined only after the accounts of the Group have been examined by the IC.

Nonlife Insurance

IMC No. 7-2006 provides for the RBC framework for the non-life insurance industry to establish the required amounts of capital to be maintained by the companies in relation to their investment and insurance risks. Every non-life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.llThe RBC ratio shall be calculated as net worth divided by the RBC requirement. Net worth shall include the company's paid-up capital, contributed and contingency surplus and unassigned surplus. Revaluation and fluctuation reserve accounts shall form part of net worth only to the extent authorized by the IC.lThe RBC ratio of MICO is at 217% and 157% as of December 31, 2025 before IC examination and 2024 per synopsis, respectively. The RBC ratio in 2025 can be determined only after the accounts of the Company have been examined by the IC.l

40. **Retained Earnings**

Retained Earnings Appropriation
As of December 31, 2025, appropriated retained earnings amounted to ₱1.7 billion for the planned investments covering various projects.

On November 22, 2024, the Company approved the reversal of the appropriation amounting to ₱3.50 billion, which was intended to be used to finance the Company's planned investment and business expansion.

On December 31, 2021, the Parent Company's BOD approved appropriation of retained earnings amounting to ₱3.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next 2-3 years. On the same date, the Parent Company approved the reversal of ₱2.5 billion appropriations made in 2019 and 2018 following the completion of its previous planned investment and business expansion.

On December 31, 2019, the Company's BOD approved additional appropriation of retained earnings amounting to ₱400 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

On December 31, 2018, the Company's BOD approved additional appropriation of retained earnings amounting to ₱2,100 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

Dividends Declaration
On July 21, 2023, the Company declared dividends of ₱38.82 million or ₱0.05 per share to ordinary shareholders on record as at August 4, 2023 and was subsequently paid on September 1, 2023.

On November 24, 2023 and April 12, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱1,705.0 billion and ₱0.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three (3) years, respectively.

On August 9, 2024, the Company declared dividends of ₱73.47 million or ₱0.05 per share to ordinary shareholders on record as at August 27, 2024 and was subsequently paid on September 6, 2024.

On August 8, 2025, the Company declared dividends of ₱264.47 million or ₱0.18 per share to ordinary shareholders on record as at August 27, 2025 and was subsequently paid on September 4, 2025.

Retained Earnings Available for Dividend Declaration
Retained earnings include ₱1,773.65 million and ₱1,769.35 million as of December 31, 2025 and 2024, respectively, representing treasury shares, appropriated retained earnings and deferred tax assets that are not available for dividend declaration. After reconciling items, the retained earnings of the Parent Company that are available for dividend declaration amounted to ₱5,772.79 million and ₱5,384.52 million as of December 31, 2025 and 2024, respectively.

Under the Tax Code, publicly-held Corporations are allowed to accumulate retained earnings in excess of capital stock and are exempt from improperly accumulated earnings tax.

Restrictions
The Group's retained earnings include accumulated earnings of subsidiaries, associate and joint venture amounting to ₱7,873.42 million and ₱6,549.40 million as of December 31, 2025 and 2024, respectively, not declared as dividends to the Group. Accordingly, these are not available for dividend declaration.

41. Non-controlling Interests

The summarized financial information attributable to non-controlling interests for significant subsidiaries as of and for the years ended December 31, 2025, 2024 and 2023 are as shown below:

	IPO [(a)]			SLRIHSI [(b)]			MICO Equities, Inc. and Subsidiaries [(c)]			Sunlife Grepa Financial Inc. and Subsidiaries [(d)]			RCBC Trust Corporation [(e)]		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Assets															
Current assets	**₱5,581**	₱4,802	₱3,805	**₱26**	₱14	₱22	**₱24,636**	₱32,986	₱38,889	**₱61,763**	₱51,570	₱45,618	**₱548**	₱461	₱–
Noncurrent assets	**18,714**	17,463	16,159	**7,818**	5,718	3,801	**14,570**	13,211	12,501	**19,582**	18,177	15,676	**224**	183	–
	24,295	22,265	19,964	**7,844**	5,732	3,823	**39,206**	46,198	51,390	**81,345**	69,747	61,294	**772**	644	–
Liabilities and Equity															
Current liabilities	**4,036**	3,878	3,257	**4,105**	2,015	97	**25,810**	33,795	39,454	**53,894**	45,816	40,076	**228**	282	–
Noncurrent liabilities	**1,850**	1,656	1,623	**37**	–	–	**654**	635	631	**18,083**	15,866	14,113	**180**	122	–
	5,886	5,533	4,880	**4,142**	2,015	97	**26,464**	34,430	40,085	**71,977**	61,682	54,189	**408**	404	–
Revenue	**6,222**	5,322	4,491	**–**	–	–	**6,998**	5,736	–	**23,558**	17,437	–	**539**	477	–
Net income (loss)	**966**	864	662	**(16)**	(9)	25	**347**	166	–	**1,746**	1,560	–	**129**	120	–
Total comprehensive income (loss)	**2,282**	1,855	2,543	**(16)**	(9)	25	**1,007**	461	–	**2,119**	1,560	–	**127**	112	–
Share of NCI in net assets	**8,684**	7,694	7,117	**2,515**	1,487	2.525	**5,024**	5,165	4,593	**4,979**	4,230	3,868	**231**	144	60
Share of NCI in net income (loss)	**471**	422	351	**(6)**	(4)	10	**67**	38	–	**779**	720	–	**77**	72	–
Dividends paid	**130**	107	103	**–**	–	–	**–**	–	–	**402**	416	–	**–**	–	–
Operating	**1,679**	1,747	1,114	**(351)**	(287)	(137)	**(290)**	(332)	(529)	**3,046**	2,782	1,548	**145**	311	–
Investing	**(742)**	(701)	(436)	**(1,750)**	(1,555)	(1,274)	**(298)**	(246)	190	**(1,471)**	(2,521)	(1,472)	**(193)**	(229)	–
Financing	**(339)**	(277)	(832)	**2,109**	1,834	10	**71**	(26)	(32)	**(837)**	(433)	(350)	**(25)**	105	100

(a) Proportion of ownership owned by non-controlling interests as of December 31, 2025 and 2023: 51.82%
(b) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 40.00% and 0.00%, respectively
(c) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 49.00% and 0.00%, respectively
(d) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 22.670% and 0.00%, respectively
(e) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 60.00% and 0.00%, respectively

Material Partly-Owned Subsidiaries

MEI
On April 25, 2023, the BOD of the Parent Company. approved the authority to enter in a Share Swap Agreement with the Ultimate Parent Company (PMMIC), whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI which is equivalent to 77.33% of MEI.

SLGFI
On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc. (GPLH) whereby the Parent Company will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and Grepa Realty Holdings Corporation (GRHC). As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.

RTC
In 2023, the Parent Company invested ₱40.0 million for a 40% stake in RCBC Trust Corporation.

SLRHSI
In February 2022, the Parent Company sold 1,612,759 common shares representing 14.64% ownership of SLRHSI to Sojitz Corporation. Further, on November 15, 2022, Sojitz Corporation subscribed and paid for additional authorized capital stock applied for by SLRHSI. Accordingly, the ownership stake of the Parent Company decreased from 100% to 60%.

IPO
In May 2019, the Parent Company sold the 281,642 shares of MESI to IPO, which represents 7% ownership in MESI. With this acquisition, MESI became 100% indirectly-owned subsidiary of the Parent Company through IPO. Subsequently, IPO issued 295,329,976 common shares from its unissued capital stock to AC, the parent company of AEI, in exchange for the merger of IPO and AEI, with IPO being the surviving corporation. Upon merger, the Parent Company's ownership interest over IPO was reduced from 67.34% to 48.18%. The non-controlling interest increased from 32.66% to 51.82% or an increase of ₱2.52 billion.

Operating Segment Information

For management purposes, the Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

The Group derives its revenue from the following reportable segments:

Property and Property services - represents property and project management services of the Group.

Education - primarily consists of revenues from IPO and subsidiaries in education and other related support services.

Automotive - represents automotive dealerships of the Group. The Car Dealership business of the Parent Company was consolidated under HI Cars, Inc. effective July 1, 2024.

Financial Services - consists of non-life and life insurance arm of the Group and trust and asset management.

Other Services - represent support services which cannot be directly identified with any of the reportable segments mentioned above. These include sale of pharmaceutical products, trading of consumer goods and rendering various services to the consumers.

Segment assets and liabilities exclude deferred income tax assets and liabilities. Inter-segment income arises from transactions that were made on terms equivalent to those that prevail in an arms-length transactions.

Management monitors construction revenue and segment net income for the purpose of making decisions about resource allocation. Segment performance is evaluated based on net income and construction revenue.

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

(Amounts in Millions)

	Construction			Automotive			Education			Property and Services			Financial Services			Other Services			Eliminations			Consolidation		
	2025	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023	**2025**	2024	2023
Revenue	–	–	5,327	4,897	5,706	5,309	6,222	5,322	4,491	1,325	1,217	1,079	30,970	23,941	–	1,374	810	682	(1,114)	(898)	(395)	43,674	36,097	11,904
Net Income (loss) attributable to share of parent	–	–	(257)	28	(86)	(59)	942	844	662	233	250	327	2,130	1,809	–	1,119	554	1,503	(2,310)	(1,017)	(798)	2,142	1,375	441
Other Information	–	–																						
Segment assets	–	–	–	1,499	1,892	3,969	24,296	22,265	19,964	18,967	17,528	13,429	120,451	115,824	112,785	27,090	26,136	25,352	(16,722)	(16,002)	(10,995)	175,580	167,644	159,964
Deferred tax assets	–	–	–	(67)	(60)	(22)	(95)	(48)	(49)	(32)	(27)	(26)	(923)	(816)	(676)	–	(1)	(58)	(84)	(76)	(31)	(1,201)	(1,028)	(832)
Net segment assets	–	–	–	1,432	1,832	3,947	24,201	22,217	19,915	18,935	17,501	13,403	119,528	115,008	112,109	27,090	26,135	25,294	(16,806)	(16,078)	(11,026)	174,379	166,616	159,132
Segment liabilities	–	–	–	1,461	1,627	1,740	5,887	5,533	4,880	10,513	9,074	6,689	98,795	96,471	94,274	1,382	1,120	1,630	(48)	825	(8,390)	117,990	114,649	109,750
Income tax payable	–	–	–	(3)	–	–	(26)	(23)	(20)	(36)	(11)	(9)	(163)	(101)	(4)	(9)	(4)	(8)	–	–	–	(236)	(139)	(40)
Deferred tax liabilities	–	–	–	(14)	(6)	(341)	(1,009)	(903)	(795)	–	–	–	–	–	–	(278)	(282)	–	(911)	(911)	(88)	(2,213)	(2,102)	(1,990)
Net segment liabilities	–	–	–	1,444	1,621	1,399	4,852	4,608	4,065	10,477	9,063	6,680	98,632	96,370	94,270	1,095	834	1,622	(959)	(86)	(8,477)	115,541	112,408	107,720
Investments in associates and joint ventures	–	–	–	–	–	–	–	–	–	7	7	7	1,056	1,076	–	23,104	22,030	22,394	(19,010)	(18,268)	(2,028)	5,158	4,845	6,020
Equity in net earnings (losses) of associates	–	–	(366)	42	(146)	(96)	–	–	–	65	87	94	–	–	–	225	141	119	–	–	–	332	81	117
Cash flows arising from:																								
Operating activities	–	–	–	65	449	16	1,679	1,747	1,114	(408)	(241)	38	3,046	2,761	1,019	230	377	(287)	3,812	2,192	(991)	5,559	7,285	1,309
Investing activities	–	–	–	(26)	(668)	(2)	(742)	(701)	(436)	(3,093)	(4,188)	(4,011)	(1,471)	(2,996)	(1,282)	667	122	(5,986)	(6,823)	1,657	(7,089)	(7,596)	(6,774)	(7,729)
Financing activities	–	–	–	(64)	362	(39)	(339)	(277)	(832)	2,746	2,286	1,710	(837)	(354)	(382)	(800)	(501)	(3,799)	403	(499)	2,909	1,527	1,018	6,429
Capital expenditures	–	–	–	19	658	–	709	716	–	1,895	6	3,947	241	241	–	21	17	–	(227)	1,657	1,248	2,658	3,295	4,524
Interest income	–	–	24	3	1	1	82	68	64	5	16	40	91	504	–	12	12	40	–	–	(1)	193	601	115
Interest expense	–	–	(214)	(57)	(57)	(54)	(116)	(121)	(149)	(358)	(380)	(284)	(33)	(32)	–	(20)	(54)	(68)	5	13	–	(578)	(631)	(526)
Provision/ (Benefit) for income tax	–	–	(47)	(12)	18	(22)	(108)	(96)	(45)	(114)	(94)	(61)	(568)	(420)	–	(37)	(14)	(28)	(2)	(2)	–	(840)	(607)	(138)
Earnings (loss) before income tax	–	–	(210)	40	(104)	(37)	1,074	960	707	347	343	388	2,707	2,191	–	1,156	569	1,530	(805)	(673)	(251)	4,519	3,286	1,180
Earnings before income tax and depreciation and amortization	–	–	(210)	130	(52)	31	1,678	1,494	1,214	348	344	490	2,932	2,381	–	1,175	619	1,550	(723)	(563)	(263)	5,540	4,223	1,861
Noncash items:																								
Additional revaluation increment on land	–	–	–	–	–	1,038	–	1,101	4,517	–	–	–	–	–	329	–	–	–	1,111	–	(385)	1,111	1,101	3,290
Depreciation and amortization	–	–	–	90	52	68	605	534	507	1	1	102	225	191	–	19	50	20	81	110	(11)	1,021	938	681

43. **Financial Instruments and Financial Risk Management Objectives and Policies**

Management of Insurance Risk and Investment Risk of the Insurance Segment

Insurance Risk
Insurance risk pertains to the uncertainty of the amount and timing of any claim arising from the occurrence of an insured event. The principal risk the Group faces under an insurance contract is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated, and subsequent development of long-term claims.

Life insurance contracts
Terms and conditions
The Group principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for pre-determined amount.

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

Whole life and term insurance are conventional products where lump sum benefits are payable on death.

Endowment products are savings products where lump sum benefits are payable after a fixed period or on death before the period is completed.

Unit-linked products differ from conventional policies in that a guaranteed percentage of each premium is allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.

The risks associated with the life and accident and health products are underwriting risk and investment risk.

The main risks the Group are exposed to include:

- Mortality risk - risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

The table below sets out the Group's concentration of insurance risk based on the sum assured:

	2025		2024	
	Number of Policies	**Amount of Insurance**	Number of Policies	Amount of Insurance
Group life	**1,177**	**₱377,679,000,730**	1,218	₱280,571,195,367
Whole life	**50,834**	**30,837,480,861**	47,357	25,512,854,241
Endowment	**11,999**	**13,041,048,877**	10,486	10,882,309,210
Term	**16,267**	**25,372,903,801**	15,530	21,340,739,928
Accident and health	**649**	**201,197,252,093**	554	224,393,544,153
Variable unit-linked	**117,968**	**143,485,363,512**	112,752	131,444,789,433
	198,894	**₱791,613,049,874**	187,897	₱694,145,432,332

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

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

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

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

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

- Mortality and morbidity rates
  Assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Group's actual experience. The increase in mortality and morbidity rates will increase the legal policy reserves and result in a corresponding decrease in profit or loss.

- Discount rates
  The risk-free discount rate provided by IC shall be used for all cash flows to determine the liability of a traditional life insurance policy. The yield curve used as basis for the risk-free discount shall be obtained from the following sources:

  - For Philippine peso policies: BVAL rates
  - For US Dollar policies: International Yield Curve (IYC) from Bloomberg

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

- *Lapses and/or persistency rates*

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

- *Non-guaranteed benefits*

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

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

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

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

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

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

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

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

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

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

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

	2025		
	Gross	**Reinsurers' Share**	**Net**
Fire	**10,006,099,573**	**₱6,539,877,141**	**₱3,466,222,432**
Engineering	**687,029,279**	**138,150,286**	**548,878,993**
Marine cargo	**554,827,793**	**168,594,598**	**386,233,195**
Motor	**459,445,839**	**445,662,464**	**13,783,375**
Miscellaneous casualty	**547,267,238**	**261,105,176**	**286,162,062**
Bonds	**125,337,103**	**5,013,484**	**120,323,619**
Others	**155,600,421**	**87,091,980**	**68,508,441**
	₱12,535,607,246	**₱7,645,495,129**	**₱4,890,112,117**

	2024		
	Gross	Reinsurers' Share	Net
Fire	₱15,223,742,034	₱12,280,475,827	₱2,943,266,207
Engineering	779,493,719	405,297,655	374,196,064
Marine cargo	709,989,156	155,856,049	554,133,107
Motor	529,882,791	516,533,449	13,349,342
Miscellaneous casualty	631,481,997	311,205,612	320,276,385
Bonds	39,391,054	16,301,265	23,089,789
Others	204,535,280	8,322,596	196,212,684
	₱18,118,516,031	₱13,693,992,453	₱4,424,523,578

Key assumptions
The principal assumption underlying the liability estimates is the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variations in interest, delays in settlement and changes in foreign currency rates.

Sensitivities
The insurance claims provision is sensitive to the above key assumptions. Because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting dates.

The table below shows the impact of changes in certain important assumptions in general insurance business while other assumptions remain unchanged. The correlation of assumptions will have a significant effect in determining the claims but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on individual basis.

	2025			
	Change in Assumptions %	**Impact on Gross Insurance Contract Liabilities Increase (Decrease)**	**Impact on Net Insurance Contract Liabilities Increase (Decrease)**	**Impact on Income Before Income Tax Increase (Decrease)**
Average claim costs	**+5%**	**₱221,998,128**	**₱173,507,071**	**(₱173,507,071)**
Average number of claims	**+5%**	**200,466,844**	**156,678,866**	**(156,678,866)**

	2024			
	Change in Assumptions %	Impact on Gross Insurance Contract Liabilities Increase (Decrease)	Impact on Net Insurance Contract Liabilities Increase (Decrease)	Impact on Income Before Income Tax Increase (Decrease)
Average claim costs	+5%	₱231,040,493	₱126,559,053	(₱126,559,053)
Average number of claims	+5%	220,879,433	120,993,041	(120,993,041)

Claims development table
The following tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting dates, together with cumulative payments to date.

The Group aims to maintain strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences are eliminated which results in the release of reserves from earlier accident years. In order to maintain strong reserves, the Group transfers much of this release to current accident year reserves when the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims.

The risks vary significantly in relation to the location of the risk insured by the Group, type of risks insured and in respect of commercial and business interruption insurance by industry.

Gross insurance contract liabilities in 2025

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	50,635,642,640	2,778,160,692	16,303,949,183	5,152,181,821	5,007,851,812	6,924,129,835	14,674,208,685	18,556,878,985	2,437,945,300	2,391,831,363	3,322,022,042	3,322,022,042
One year later	53,115,782,030	2,204,242,454	18,299,290,724	4,324,850,674	5,289,925,868	7,089,827,891	13,238,768,283	18,485,126,714	3,052,445,226	3,112,638,167	–	3,112,638,167
Two years later	50,592,456,706	2,666,854,516	12,850,855,048	2,898,163,316	3,946,523,855	7,007,800,871	11,289,359,077	17,939,522,845	3,026,312,432	–	–	3,026,312,432
Three years later	50,265,855,724	2,440,854,403	11,393,284,999	3,050,357,046	3,976,942,644	6,738,249,928	9,965,814,231	11,764,590,033	–	–	–	11,764,590,033
Four years later	49,293,398,765	2,404,164,214	8,291,858,165	3,056,028,662	3,860,159,852	6,457,348,073	9,933,631,019	–	–	–	–	9,933,631,019
Five years later	49,426,950,876	2,369,119,889	8,302,210,468	3,006,077,282	3,949,903,233	6,433,130,825	–	–	–	–	–	6,433,130,825
Six years later	48,876,538,885	2,367,536,588	8,303,440,088	3,198,146,041	3,920,835,647	–	–	–	–	–	–	3,920,835,647
Seven years later	47,848,362,622	2,367,949,129	8,290,977,612	3,228,468,999	–	–	–	–	–	–	–	3,228,468,999
Eight years later	46,530,122,806	2,329,748,482	8,290,554,281	–	–	–	–	–	–	–	–	8,290,554,281
Nine years later	50,938,859,724	2,330,880,438	–	–	–	–	–	–	–	–	–	2,330,880,438
Ten years later	50,799,384,801	–	–	–	–	–	–	–	–	–	–	50,799,384,801
Current estimate of cumulative claims	50,799,384,801	2,330,880,438	8,290,554,281	3,228,468,999	3,920,835,647	6,433,130,825	9,933,631,019	11,764,590,033	3,026,312,432	3,112,638,167	3,322,022,042	106,162,448,684
Cumulative payments to date	46,638,052,184	2,309,319,015	8,099,367,180	3,156,638,129	3,762,322,538	6,009,800,424	8,571,032,352	9,844,096,823	1,456,278,760	2,606,060,597	1,173,873,436	93,626,841,438
Liability recognized	4,161,332,617	21,561,423	191,187,101	71,830,870	158,513,109	423,330,401	1,362,598,667	1,920,493,210	1,570,033,672	506,577,570	2,148,148,606	12,535,607,246

Net insurance contract liabilities in 2025

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	7,421,645,816	739,180,540	1,035,722,782	1,837,332,485	1,738,787,490	1,209,989,312	1,522,823,993	1,794,948,588	2,427,305,011	7,994,741,912	2,626,768,615	2,626,768,615
One year later	6,752,614,028	800,920,334	2,321,614,057	1,455,933,765	1,454,312,884	795,905,554	2,225,849,984	1,932,839,163	3,122,993,180	8,489,554,808	–	8,489,554,808
Two years later	6,387,049,794	680,821,618	1,606,175,280	1,235,763,902	1,126,999,031	438,841,168	1,868,924,559	2,454,933,171	3,206,816,994	–	–	3,206,816,994
Three years later	6,323,493,732	635,193,051	1,513,323,213	1,193,030,660	1,131,511,364	372,301,064	3,630,857,123	2,425,179,196	–	–	–	2,425,179,196
Four years later	5,101,737,588	645,687,555	1,478,405,807	1,195,765,483	1,101,854,017	434,341,812	3,647,275,364	–	–	–	–	3,647,275,364
Five years later	3,191,662,611	620,828,717	1,862,474,539	1,165,959,084	1,363,646,519	436,580,421	–	–	–	–	–	436,580,421
Six years later	2,108,113,836	622,218,449	1,840,115,768	1,663,086,447	1,344,362,225	–	–	–	–	–	–	1,344,362,225
Seven years later	2,021,032,001	622,517,462	1,833,883,972	1,668,092,606	–	–	–	–	–	–	–	1,668,092,606
Eight years later	1,972,491,433	623,056,019	1,834,090,686	–	–	–	–	–	–	–	–	1,834,090,686
Nine years later	1,924,452,490	624,164,680	–	–	–	–	–	–	–	–	–	624,164,680
Ten years later	1,965,613,746	–	–	–	–	–	–	–	–	–	–	1,965,613,746
Current estimate of cumulative claims	1,965,613,746	624,164,680	1,834,090,686	1,668,092,606	1,344,362,225	436,580,421	3,647,275,364	2,425,179,196	3,206,816,994	8,489,554,808	2,626,768,615	28,268,499,341
Cumulative payments to date	1,751,942,193	619,770,839	1,816,576,469	1,646,774,380	1,278,839,582	393,138,404	3,354,605,927	2,155,056,995	2,308,095,102	7,615,191,732	438,395,601	23,378,387,224
Liability recognized	213,671,553	4,393,841	17,514,217	21,318,226	65,522,643	43,442,017	292,669,437	270,122,201	898,721,892	874,363,076	2,188,373,014	4,890,112,117

Gross insurance contract liabilities in 2024

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	48,204,429,754	2,241,711,221	2,799,793,230	16,241,504,382	5,153,102,963	4,980,155,446	6,924,129,835	14,674,208,685	18,556,878,985	2,437,945,300	1,388,055,748	1,388,055,748
One year later	50,582,301,279	2,430,353,637	2,234,422,165	18,339,504,260	4,314,430,428	5,217,162,712	7,089,827,891	13,238,768,283	18,485,126,714	3,052,445,226	–	3,052,445,226
Two years later	48,408,111,100	2,097,507,943	2,697,029,812	12,875,210,213	2,911,397,003	3,866,860,164	7,007,800,871	11,289,359,077	17,939,522,845	–	–	17,939,522,845
Three years later	47,807,684,714	2,373,482,959	2,469,757,830	11,418,242,025	3,069,592,912	3,891,154,806	6,738,249,928	9,965,814,231	–	–	–	9,965,814,231
Four years later	46,992,142,337	2,216,378,096	2,433,059,468	8,315,487,173	3,072,692,319	3,778,447,121	6,457,348,073	–	–	–	–	6,457,348,073
Five years later	47,186,108,643	2,157,049,376	2,398,513,892	8,325,046,330	3,037,695,158	3,853,293,091	–	–	–	–	–	3,853,293,091
Six years later	46,635,133,096	2,156,232,494	2,397,092,418	8,325,860,856	3,230,784,458	–	–	–	–	–	–	3,230,784,458
Seven years later	45,618,562,168	2,147,791,124	2,397,527,933	8,313,293,051	–	–	–	–	–	–	–	8,313,293,051
Eight years later	44,308,332,480	2,147,677,617	2,359,306,970	–	–	–	–	–	–	–	–	2,359,306,970
Nine years later	48,724,539,360	2,142,409,177	–	–	–	–	–	–	–	–	–	2,142,409,177
Ten years later	35,547,068,514	–	–	–	–	–	–	–	–	–	–	35,547,068,514
Current estimate of cumulative claims	35,547,068,514	2,142,409,177	2,359,306,970	8,313,293,051	3,230,784,458	3,853,293,091	6,457,348,073	9,965,814,231	17,939,522,845	3,052,445,226	1,388,055,748	94,249,341,384
Cumulative payments to date	31,277,120,953	2,116,955,473	2,337,374,511	8,121,003,338	3,055,753,391	3,623,131,705	5,721,584,226	8,258,241,040	9,813,927,474	636,743,889	1,168,989,354	76,130,825,354
Liability recognized	4,269,947,561	25,453,704	21,932,459	192,289,713	175,031,067	230,161,386	735,763,847	1,707,573,191	8,125,595,371	2,415,701,337	219,066,394	18,118,516,030

Net insurance contract liabilities in 2024

Accident year	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	5,612,840,930	1,804,868,817	739,562,893	1,038,422,353	1,827,218,079	1,727,128,442	1,209,989,312	1,522,823,993	1,794,948,588	2,427,305,011	7,994,741,912	7,994,741,912
One year later	4,799,426,752	1,940,950,234	831,100,045	2,361,827,593	1,436,546,906	1,390,662,826	795,905,554	2,225,849,984	1,932,839,163	3,122,993,180	–	3,122,993,180
Two years later	4,696,295,469	1,677,133,217	710,996,914	1,630,530,445	1,241,795,248	1,054,655,343	438,841,168	1,868,924,559	2,454,933,171	–	–	2,454,933,171
Three years later	5,767,051,850	544,665,549	663,883,264	1,538,496,936	1,205,064,186	1,053,043,530	372,301,064	3,630,857,123	–	–	–	3,630,857,123
Four years later	4,591,563,857	498,593,050	674,369,595	1,502,251,512	1,205,226,779	1,027,461,290	434,341,812	–	–	–	–	434,341,812
Five years later	2,716,653,787	464,078,188	650,009,506	1,885,527,098	1,186,478,180	1,278,316,475	–	–	–	–	–	1,278,316,475
Six years later	1,633,938,105	463,023,606	651,561,065	1,862,753,233	1,684,683,351	–	–	–	–	–	–	1,684,683,351
Seven years later	1,546,575,549	463,333,882	651,883,052	1,856,416,108	–	–	–	–	–	–	–	1,856,416,108
Eight years later	1,498,239,684	463,219,427	652,401,293	–	–	–	–	–	–	–	–	652,401,293
Nine years later	1,452,219,159	461,242,260	–	–	–	–	–	–	–	–	–	461,242,260
Ten years later	1,454,266,057	–	–	–	–	–	–	–	–	–	–	1,454,266,057
Current estimate of cumulative claims	1,454,266,057	461,242,260	652,401,293	1,856,416,108	1,684,683,351	1,278,316,475	434,341,812	3,630,857,123	2,454,933,171	3,122,993,180	7,994,741,912	25,025,192,742
Cumulative payments to date	1,260,648,597	455,621,034	647,636,416	1,838,422,717	1,640,323,105	1,161,392,087	333,906,117	3,020,993,550	1,991,465,926	1,912,915,834	6,337,343,781	20,600,669,164
Liability recognized	193,617,460	5,621,226	4,764,877	17,993,392	44,360,246	116,924,388	100,435,695	609,863,573	463,467,245	1,210,077,346	1,657,398,131	4,424,523,578

Investment Risk

The investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments.

Additionally, there exists a future investment risk associated with certain policies currently in force which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future premium receipts while continuing to maintain satisfactory investment quality.

The Group's strategy is to invest primarily in high quality securities while maintaining diversification to avoid significant exposure to issuer, industry and or country concentrations. Another strategy is to produce cash flows required to meet maturing insurance liabilities. The Group invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. Financial assets at FVOCI are subject to changes in fair value. Generally, insurance regulations restrict the type of assets in which an insurance company may invest.

Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to raise finances for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, market risk, and credit risk. The BOD reviews and agrees on the policies for managing these risks, as well as approving and authorizing risk limits set by management, summarized below. There were no changes in the policies for managing these risks.

a. *Liquidity risk*

Liquidity risk is the risk that the Group will be unable to meet its payment obligations as they fall due. The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and funding requirements, the Group intends to use internally generated funds and available short-term and long-term credit facilities.

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date.

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

	2025				
	Up to a year	**1-5 years**	**More than 5 years**	**No maturity date**	**Total**
Financial Assets					
Cash and cash equivalents*	**₱7,892,968,769**	**₱–**	**₱–**	**₱–**	**₱7,892,968,769**
Receivables	**10,476,842,736**	**–**	**–**	**–**	**10,476,842,736**
Loans and receivables	**1,417,259,547**	**442,604,349**	**678,879,557**	**–**	**2,538,743,453**
Segregated fund assets	**–**	**–**	**–**	**49,029,028,334**	**49,029,028,334**
Reinsurance Assets	**11,354,431,818**	**–**	**–**	**–**	**11,354,431,818**
Financial assets at FVTPL*	**1,424,461,957**	**47,380,620**	**8,071,039,224**	**774,312,891**	**10,317,194,692**
Financial assets at FVOCI	**5,419,664,830**	**1,612,659,053**	**18,883,370,513**	**1,074,738,915**	**26,990,433,311**
Investment securities at amortized cost*	**1,241,870**	**184,521,036**	**5,096,321,514**	**–**	**5,282,084,420**
Total	**₱37,986,871,527**	**₱2,287,165,058**	**₱32,729,610,808**	**₱50,878,080,140**	**₱123,881,727,533**
Financial Liabilities					
Accounts Payable and other current liabilities	**₱8,268,072,019**	**₱–**	**₱–**	**₱–**	**₱8,268,072,019**
Segregated fund liabilities	**1,798,681,670**	**–**	**–**	**47,230,346,664**	**49,029,028,334**
Contract liabilities	**1,633,036,538**	**–**	**–**	**–**	**1,633,036,538**
Insurance contract liabilities**	**42,162,587,078**	**743,010,855**	**209,776,905**	**–**	**43,115,374,838**
Lease contract liabilities*	**626,053,720**	**17,604,458**	**–**	**–**	**643,658,178**
Total	**₱54,488,431,025**	**₱760,615,313**	**₱209,776,905**	**₱47,230,346,664**	**₱102,689,169,907**

**Including future interest*
***Excluding legal policy reserves*

	2024				
	Up to a year	1-5 years	More than 5 years	No maturity date	Total
Financial Assets					
Cash and cash equivalents*	₱8,293,005,389	₱–	₱–	₱–	₱8,293,005,389
Receivables	11,262,666,490	–	–	–	11,262,666,490
Loans receivables	1,494,794,715	564,789,644	258,003,732	–	2,317,588,091
Segregated fund assets	4,572,477,590	–	–	37,569,985,225	42,142,462,815
Reinsurance Assets	18,355,961,194	–	–	-	18,355,961,194
Financial assets at FVTPL*	7,086,869,792	214,662,673	4,774,261,903	601,858,275	12,677,652,643
Financial assets at FVOCI	22,085,750,660	2,378,801,601	13,973,972,300	1,085,590,674	39,524,115,235
Investment securities at amortized cost*	4,063,752,999	315,549,140	2,897,049,785	-	7,276,351,924
Total	₱77,215,278,829	₱3,473,803,058	₱21,903,287,720	₱39,257,434,174	₱141,849,803,781
Financial Liabilities					
Accounts Payable and other current liabilities	₱8,070,126,550	₱12,431,504	₱ –	₱–	₱8,082,558,054
Segregated fund liabilities	4,572,477,590	–	–	37,569,985,225	42,142,462,815
Contract liabilities	1,464,893,638	112,250,951	–	–	1,577,144,589
Insurance contract liabilities**	44,159,077,840	692,210,021	242,670,074	–	45,093,957,935
Lease contract liabilities*	167,708,899	562,687,392	–	–	730,396,291
Total	₱58,434,284,517	₱1,379,579,868	₱242,670,074	₱37,569,985,225	₱97,626,519,684

**Including future interest*
***Excluding legal policy reserves*

b. *Market risk*

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, foreign currency exchange rates and interest rates.

Equity price risk

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as available-for-sale securities.

Quoted equity investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity investments at FVTPL and FVOCI.

Equity investments at FVTPL and FVOCI are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The analysis below is performed for reasonably possible movements in the market index with all other variables held constant, showing the impact on equity.

	2025		2024	
Market Index	**Change in variable**	**Effect on equity**	Change in variable	Effect on equity
PSE	**15.00%**	**269,998,360**	9.78%	182,516,284
	(15.00%)	**(269,998,360)**	(9.78%)	(182,516,284)
Others	**15.00%**	**143,432,717**	15.00%	115,096,913
	(15.00%)	**(143,432,717)**	(15.00%)	(115,096,913)

c. *Credit risk*

The Group's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Group. The Group manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Group does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset.

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

	2025				
	Neither Past Due Nor Impaired		**Past due**		
	High Grade	**Standard Grade**	**but not impaired**	**Impaired**	**Total**
Financial assets at fair value through profit or loss	**₱10,072,805,922**	**₱244,388,770**	**₱–**	**₱–**	**₱10,317,194,692**
Financial assets at fair value through other comprehensive income	**25,873,433,017**	**1,117,000,296**	**–**	**–**	**26,990,433,313**
Investment securities at amortized cost	**5,282,084,420**	**–**	**–**	**–**	**5,282,084,420**
Cash and cash equivalents	**7,891,348,655**	**1,619,700**		**414**	**7,892,968,769**
Receivables	**4,284,485,730**	**671,633,885**	**5,512,959,205**	**7,763,915**	**10,476,842,735**
Loans receivables	**2,503,161,083**	**24,736,630**		**10,845,740**	**2,538,743,453**
Segregated fund assets	**49,029,028,334**	**–**	**–**	**–**	**49,029,028,334**
Reinsurance Assets	**11,354,431,818**	**–**	**–**	**–**	**11,354,431,818**
Total	**₱116,290,778,979**	**₱2,059,379,281**	**₱5,512,959,205**	**₱18,610,069**	**₱123,881,727,534**

	2024				
	Neither Past Due Nor Impaired		Past due		
	High Grade	Standard Grade	but not impaired	Impaired	Total
Financial assets at fair value through profit or loss	₱7,319,353,492	₱117,612,021	₱ –	₱–	₱7,436,965,513
Financial assets at fair value through other comprehensive income	24,884,027,165	666,115,770	–	–	25,550,142,935
Investment securities at amortized cost	4,379,302,139	–	–	–	4,379,302,139
Cash and cash equivalents	8,291,640,861	1,363,700	–	414	8,293,004,975
Receivables	4,138,088,972	2,286,685,236	4,866,048,717	579,293,451	11,870,116,376
Loans receivables	1,932,990,951	126,593,408		5,865,171	2,065,449,530
Segregated fund assets	42,142,462,815	–	–	–	42,142,462,815
Reinsurance Assets	18,355,961,194	–	–	–	18,355,961,194
Total	₱111,443,827,589	₱3,198,370,135	₱4,866,048,717	₱585,159,036	₱120,093,405,477

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for various customer segments. With similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Below is the information about the credit risk exposure on the Group's receivables using a provision matrix:

		2025				
		Days past due				
	Current	**1-30 days**	**31-60 days**	**61-90 days**	**>90 days**	**Total**
Expected credit loss rate	**0%**	**0%**	**0%**	**0%**	**69%**	**69%**
Carrying value	**5,572,468,756**	**3,350,607,255**	**1,026,452,796**	**255,682,324**	**884,775,474**	**11,089,986,605**
Expected credit loss					**613,143,869**	**613,143,869**

		2024				
		Days past due				
	Current	1-30 days	31-60 days	61-90 days	>90 days	Total
Expected credit loss rate	0%	0%	0%	0%	36%	36%
Carrying value	9,265,443,885	114,527,947	349,472,999	219,992,197	1,667,278,468	11,616,715,496
Expected credit loss	–	–	–	–	607,449,886	607,449,886

e. Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The tables below summarize the Company's exposure to foreign currency exchange rate risks by categorizing financial assets and liabilities by major currencies in PHP denomination.

	2025			
	US Dollars	**Euro**	**Others**	**Total**
Financial Assets				
Cash and cash equivalents	**426,660,397**	**81,705,299**	**458,203,228**	**1,538,611,385**
Financial assets at FVTPL	**1,235,859,158**	**10,446,120**	**62,159,244**	**1,308,464,522**
Financial assets at FVOCI	**3,036,243,955**	**8,097,380**	**44,250,534**	**5,363,306,477**
Investment at amortized cost	**489,152,680**			**489,152,680**
Loans and receivables	**1,345,620,940**	**107,796,412**	**74,750,996**	**1,581,412,876**
Accrued income	**37,900**	**–**	**–**	**37,900**
	6,533,575,030	**208,045,211**	**639,364,002**	**10,280,985,840**
Financial Liabilities				
Accounts payable	**1,988,075**	**–**	**–**	**1,988,075**
Premium deposit funds	**–**	**–**	**–**	
Insurance contract liabilities	**670,648,786**	**–**	**8,735,881**	**1,648,540,535**
	672,636,861	**–**	**8,735,881**	**1,650,528,610**

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, euro and other currency exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the foreign exchange rate).

Currency	Change in rate	Impact on income before tax increase (decrease) 2025	Change in rate	Impact on income before tax increase (decrease) 2024
US Dollar	**+5%**	**₱251,104,735**	+5%	₱363,197,930
	-5%	**(251,104,735)**	-5%	(363,197,930)
Euro	**+5%**	**944,827**	+5%	245,930
	-5%	**(944,827)**	-5%	(245,930)
Others*	**+5%**	**6,951,789**	+5%	4,756,590
	-5%	**(6,951,789)**	-5%	(4,756,590)

**Others include Australian dollar, Canadian dollar, Japanese yen, Hong Kong dollar, British pound, Swiss franc, Indonesian rupiah, Singaporean dollar, Swedish krona, Norwegian krone, Danish krone, and New Zealand dollar*

f. Interest Rate Risk

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

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

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

		2025			
	Interest Rate	**Within one year**	**1-3 years**	**More than 3 years**	**Total**
Cash and cash equivalents	**4.8% - 6.25%**	**₱1,854,654,390**	**₱–**	**₱–**	**₱1,854,654,390**
Short-term investments	**0.50% to 4.625%**	**2,761,894**	**–**	**–**	**2,761,894**
Financial assets at FVTPL	**3.5% - 8.70%**	**103,608,411**	**46,466,556**	**7,993,980,027**	**8,144,054,994**
Financial assets at FVOCI	**1.648% - 11.25%**	**725,532,313**	**1,540,026,515**	**18,387,976,723**	**20,653,535,551**
Investment securities at amortized cost	**1.648% - 8.00%**	**65,053,498**	**1,206,488,444**	**4,010,542,478**	**5,282,084,420**
Policy loans	**6.00% to 8.00%**	**626,414,240**	**–**	**–**	**626,414,240**
Long-term commercial papers	**5.85% to 7.26%**	**240,330,927**	**412,508,257**	**625,000,000**	**1,277,839,184**
Notes receivable	**1.00% - 8.00%**	**21,121,981**	**–**	**–**	**21,121,981**
Security fund	**5%**	**962,325**	**–**	**–**	**962,325**
Total interest-bearing financial assets		**₱3,640,439,979**	**₱3,205,489,772**	**₱31,017,499,228**	**₱37,863,428,979**

		2024			
	Interest Rate	Within one year	1-3 years	More than 3 years	Total
Cash and cash equivalents	4.80% - 6.25%	₱2,350,354,720	₱–	₱–	₱2,350,354,720
Short-term investments	0.25% - 4.90%	2,309,272	–	–	2,309,272
Financial assets at FVTPL	3.50% - 8.70%	115,743,160	139,958,238	5,908,708,519	6,164,409,917
Financial assets at FVOCI	1.65% - 10.63%	2,378,640,344	1,456,775,543	15,789,784,309	19,625,200,196
Investment securities at amortized cost	1.65% - 8.00%	75,349,025	288,745,548	3,831,032,652	4,195,127,225
Policy loans	6.00% - 8.00%	592,414,145	–	–	592,414,145
Long-term commercial papers	3.3% - 7.26%	524,705,274	379,496,058	213,300,000	1,117,501,332
Notes receivable	1.00% - 8.00%	4,705,737	13,262,349	1,370,139	19,338,225
Security fund	4.76%	909,737	–	–	909,737
Total interest-bearing financial assets		₱6,045,131,414	₱2,278,237,736	₱25,744,195,619	₱34,067,564,769

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the FVOCI debt securities, with all other variables held constant, of the Group's equity:

Currency	Change in basis points	Impact on equity Increase (decrease) 2025	2024
Philippine Peso	**+ 100**	**₱232,706,517**	₱199,688,263
U.S. Dollar	**+ 100**	**103,529,566**	91,525,345
Philippine Peso	**- 100**	**481,890,239**	308,694,913
U.S. Dollar	**- 100**	**157,611,573**	147,273,472

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

Financial assets at FVTPL and FVOCI
The fair values of financial assets at FVTPL and FVOCI were determined using quoted market prices at the reporting date. For unquoted equity securities, these are carried at cost less allowance for impairment losses due to unpredictable nature of future cash flows and the lack of other suitable methods of arriving at a reliable fair value. For unquoted debt securities, these are measured using pricing models that consider, among other factors, contractual and market prices, correlation, time value, credit risk, yield curve volatility factors and or prepayment rates of the underlying positions.

Long-term debt
The fair value of long-term loans and receivables is estimated using discounted cash flow technique that makes use of BVAL rates in 2025 and 2024.

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

	2025 Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at FVTPL	**₱2,414,508,022**	**₱7,902,686,670**	**₱–**	**₱10,317,194,692**
Financial assets at FVOCI	**7,334,903,114**	**19,655,237,785**	**292,414**	**26,990,433,313**
Property and equipment at revalued amount	**–**	**–**	**16,051,693,503**	**16,051,693,503**
	9,749,411,136	**27,557,924,455**	**16,051,985,917**	**53,359,321,508**
Assets for which fair values are disclosed:				
Investment properties	**–**	**–**	**12,294,404,802**	**12,294,404,802**
	₱9,749,411,136	**₱27,557,924,455**	**₱28,346,390,719**	**₱65,653,726,310**

	2024 Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at FVTPL	₱1,944,372,052	₱5,959,018,688	₱–	₱7,903,390,740
Financial assets at FVOCI	24,703,642,102	846,500,833	–	25,550,142,935
Property and equipment at revalued amount	–	–	15,015,152,509	15,015,152,509
	26,648,014,154	6,805,519,521	15,015,152,509	48,468,686,184
Assets for which fair values are disclosed:				
Investment properties	–	–	12,395,384,044	12,395,384,044
	₱26,648,014,154	₱6,805,519,521	₱27,410,536,553	₱60,864,070,228

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As of December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

44. Changes in Liabilities Arising from Financing Activities

	2025			
	January 1, 2024	**Net cash flows**	**Non-cash movement**	**December 31, 2025**
Loans payable (Note 26)	**₱5,635,000,000**	**₱4,763,665,000**	**₱ –**	**₱10,398,665,000**
Long-term debt (Note 27)	**4,813,687,408**	**(3,797,993,846)**	**3,032,500**	**1,018,726,062**
Lease liabilities (Note 22)	**730,396,291**	**(282,640,574)**	**392,936,589**	**840,692,306**
	₱11,179,083,699	**₱683,030,580**	**₱395,969,089**	**₱12,258,083,368**

	2024			
	January 1, 2023	Net cash flows	Non-cash movement	December 31, 2024
Loans payable (Note 26)	₱3,971,142,021	₱1,663,857,979	₱–	₱5,635,000,000
Long-term debt (Note 27)	4,880,345,170	(32,573,600)	(34,084,162)	4,813,687,408
Lease liabilities (Note 22)	607,983,302	(192,747,017)	315,160,006	730,396,291
	₱9,459,470,493	₱1,438,537,362	₱281,075,844	₱11,179,083,699

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, included in this Form 17-A, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner
CPA Certificate No. 114462
Tax Identification No. 225-158-629
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
SEC Partner Accreditation No. 114462-SEC (Group A)
Valid to cover audit of 2022 to 2026 financial statements
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028
PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated April 13, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner
CPA Certificate No. 114462
Tax Identification No. 225-158-629
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SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements
BIR Accreditation No. 08-001998-196-2025, October 29, 2025, valid until October 28, 2028
PTR No. 10765006, January 2, 2026, Makati City

April 13, 2026

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON REVISED SRC RULE 68

DECEMBER 31, 2025

Philippine Securities and Exchange Commission (SEC) issued the Revised Securities Regulation Code (SRC) Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for the purpose of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities
Below is the schedule of Financial Assets of the Group as of December 31, 2025.

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at FVTPL				
Philippine Treasury	10,000,000	9,991,036	9,991,036	50,518
Philippine Treasury	50,000,000	49,389,505	49,389,505	238,353
Philippine Treasury	50,000,000	49,345,812	49,345,812	239,234
Philippine Treasury	50,000,000	48,729,797	48,729,797	228,750
Philippine Treasury	50,000,000	48,634,269	48,634,269	228,153
Philippine Treasury	10,000,000	9,657,133	9,657,133	41,693
Philippine Treasury	20,000,000	19,072,671	19,072,671	32,784
BNY Mellon - listed equity securities	various	152,654,576	152,654,576	2,586,865
BNY Mellon - funds	various	92,481,996	92,481,996	-
Ayala Land Inc	204,000	4,579,800	4,579,800	118,646
SM Prime Holdings	38,500	875,875	875,875	18,480
SM Investments Corp	3,800	2,658,100	2,658,100	49,400
FAMI SAVE AND LEARN	7,722,208	33,769,988	33,769,988	-
FAMI Consumer Fund	26,851,977	14,927,014	14,927,014	-
Sun Life Grepa	23,349,557	26,590,476	26,590,476	-
RCBC Blue Chip Equity Fund	57,907,099	46,146,225	46,146,225	-
Rizal Equity Fund	14,142,496	46,950,513	46,950,513	-
RCBC Dividend Equity Fund	11,956,988	12,894,392	12,894,392	-
BNY Mellon - listed equity securities	various	201,265,868	201,265,868	1,883,014
BNY Mellon - funds	various	64,972,659	64,972,659	272,211
UBS (CS) - listed equity securities	various	172,948,277	172,948,277	1,205,545
UBS (CS) - funds	various	266,567,140	266,567,140	479,967
UBS - listed equity securities	various	5,442,249	5,442,249	15,936
Julius Baer - funds	various	2,421,031	2,421,031	181,972
LGT - funds	various	15,860,404	15,860,404	135,430
SMCGL 5.7% PERP	8,903,988	8,984,436	8,984,436	961,321
SMCGL 8.125%	5,645,012	5,765,701	5,765,701	-
GLOBE 4.2% 2070	11,639,200	11,710,733	11,710,733	481,298
UBS (CS) - private bonds	-	-	-	818,825
UBS - private bonds	various	102,874,269	102,874,269	2,239,613
Julius Baer - private bonds	various	121,113,573	121,113,573	6,659,631
LGT1 - private bonds	various	46,466,556	46,466,556	3,272,452
LGT2 - private bonds	various	36,935,054	36,935,053	317,756
Standard Chartered Bank XS2543127547	220,000,000	225,918,000	225,918,000	9,086,458
Standard Chartered Bank XS2537432473	100,000,000	102,190,000	102,190,000	233,333
DBS Bank Ltd XS2478986628	340,000,000	353,482,700	353,482,700	771,288
Goldman Sachs XS1999006338	420,000,000	443,016,000	443,016,000	387,333
ING Bank N.V. XS2498954820	399,973,450	405,253,100	405,253,100	8,464,994
Bank of America Corporation XS2814753120	60,000,000	59,625,000	59,625,000	1,906,817
ING Bank N.V. XS2498954747	419,985,062	444,957,374	444,957,374	18,482,143
Morgan Stanley Finance LLC XS3088240042	350,000,000	348,841,500	348,841,500	6,636,778
Citigroup Global Markets Holdi XS2761197966	440,000,000	444,136,000	444,136,000	930,356
Bank of America Corporation XS2769675922	150,000,000	153,150,000	153,150,000	5,451,458
Goldman Sachs XS2061650490	420,000,000	443,520,000	443,520,000	18,676,000
DBS Bank Ltd XS2478990497	500,000,000	518,333,000	518,333,000	1,121,096
General Motors Co XS3233491698	500,000,000	502,050,000	502,050,000	3,304,110
JP Morgan PHP Note XS1449419263	300,000,000	294,570,000	294,570,000	4,606,500
Bank of America Corporation XS2769675500	200,000,000	202,400,000	202,400,000	7,056,389
Standard Chartered Bank XS2545646213	410,000,000	419,471,000	419,471,000	16,156,563
Bank of America Corporation XS2711528252	420,000,000	422,940,000	422,940,000	872,667
Nomura Bank International Plc XS2537431665	400,000,000	409,320,000	409,320,000	15,513,444
Standard Chartered Bank XS2541313420	100,000,000	102,820,000	102,820,000	4,116,667
Nomura Bank International Plc XS2544578250	430,000,000	441,266,000	441,266,000	17,749,206
BNP Paribas XS3070749158	500,000,000	500,345,000	500,345,000	12,988,889
Citigroup Global Markets Holdi XS2541416231	400,000,000	426,080,000	426,080,000	1,038,887
JP MORGAN STRUCT XS1449447397	150,000,000	146,520,000	146,520,000	2,722,500
SLG New Block Asset Pool PHP	56,133,279	61,773,208	61,773,208	-
SLG Old Block Asset Pool PHP	51,951,643	57,204,771	57,204,771	-
SLG Wealth Prime	67,430,181	74,115,074	74,115,074	-
SLG Balanced Fund	1,500,000	1,639,050	1,639,050	-
SLG Bond Fund	1,500,000	2,273,100	2,273,100	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
SLG Captains Fund	10,000,000	7,801,000	7,801,000	-
SLG Dynamic Fund	10,000,000	8,803,000	8,803,000	-
SLG Equity Fund	1,500,000	1,556,550	1,556,550	-
SLG Growth Fund	1,500,000	1,529,400	1,529,400	-
SLG Growth PLUS Fund	10,000,000	10,270,000	10,270,000	-
SLG Income Fund	1,500,000	2,397,600	2,397,600	-
SLG Index Fund	10,000,000	7,229,000	7,229,000	-
SLG Money Market Fund	10,000,000	11,503,000	11,503,000	-
SLG MyFuture 2030 Fund	10,000,000	9,438,000	9,438,000	-
SLG MyFuture 2035 Fund	10,000,000	8,692,000	8,692,000	-
SLG MyFuture 2040 Fund	10,000,000	8,632,000	8,632,000	-
SLG MyFuture 2045 Fund	50,000,000	47,010,000	47,010,000	-
SLG MyFuture 2050 Fund	50,000,000	46,880,000	46,880,000	-
SLG MyFuture 2055 Fund	50,000,000	46,825,000	46,825,000	-
SLG Opportunity Fund	1,500,000	1,708,200	1,708,200	-
SLG Opportunity Tracker Fund	1,500,000	1,558,050	1,558,050	-
SLG PAB Pro Income 2	1,000,000	905,400	905,400	-
SLG PAB Pro Income 3	1,000,000	911,500	911,500	-
SLG PAB Pro Income 4	1,000,000	911,700	911,700	-
SLG PAB Pro Income 5	1,000,000	908,500	908,500	-
SLG PAB Pro Income 6	1,000,000	985,700	985,700	-
SLG PAB Pro Income 7	1,000,000	919,400	919,400	-
SLG Peso Global Growth Fund	25,000,000	34,147,500	34,147,500	-
SLG Peso Global Income Fund	25,000,000	25,292,500	25,292,500	-
SLG Peso Global Opp Payout	25,000,000	28,787,500	28,787,500	-
SLG Peso Global Opport Fund	25,000,000	31,497,500	31,497,500	-
SLG Peso Global Sust Grow	25,000,000	33,640,000	33,640,000	-
SLG Peso Global Tech Growth	1,000,000	1,232,900	1,232,900	-
SLG Peso Global Tech Payout	1,000,000	1,150,800	1,150,800	-
SLG VUL PAB - Hybrid Inc 3	1,000,000	1,063,600	1,063,600	-
SLG VUL PAB - Hybrid Income	1,000,000	1,059,600	1,059,600	-
SLG VUL PAB - Hybrid Income 2	1,000,000	1,065,600	1,065,600	-
SLG VUL PAB - Pro Income	1,000,000	902,200	902,200	-
SLG VUL PAB - Pro Income 1 MS	1,000,000	958,000	958,000	-
SLG VUL PAB - Pro Income 1 Nom	1,000,000	995,700	995,700	-
SLG Dollar Money Market Fund	500,000	32,096,401	545,950	-
SLG GAB ProIncome 1 ING	20,000	1,123,712	19,114	-
SLG Global Growth Fund	500,000	47,596,384	809,600	-
SLG Global Income Fund	500,000	26,552,504	451,650	-
SLG Global Opp Payout Fund	500,000	27,881,158	474,250	-
SLG Global Opportunity Fund	500,000	44,036,650	749,050	-
SLG Global Tech Growth Fund	20,000	1,550,175	26,368	-
SLG Global Tech Payout Fund	20,000	1,481,743	25,204	-
SLG VUL GAB - ProIncome	20,000	1,157,222	19,684	-
SLG VUL GAB - ProIncome 2	20,000	1,201,903	20,444	-
SLG VUL GAB - ProIncome 2 ING	20,000	1,145,817	19,490	-
SLG VUL GAB - ProIncome 3	20,000	1,197,787	20,374	-
SLG VUL GAB - ProIncome 4	20,000	1,117,831	19,012	-
Subtotal		10,317,194,692	10,132,255,594	181,031,723
Financial assets at FVOCI				
Petro Energy Corp	103	361	361	5
Phil. Long Distance Tel.	5,900	7,434,000	7,434,000	560,500
RCBC	33,706,375	874,680,431	874,680,431	23,594,463
Seafront Resources	2,340,860	5,524,430	5,524,430	-
National Re	273,717,200	210,762,244	210,762,244	-
Unquoted stocks	133,812	292,414	292,414	-
House of Investments	2,790,000	12,834,000	12,834,000	-
BNY Mellon - private bonds	various	239,294,210	239,294,210	-
Julius Baer - private bonds	various	1,542,356	1,542,356	-
Rizal Commercial Banking Corp	29,211,695	758,043,485	758,043,485	20,448,187
PLDT-Common	396,110	499,098,600	499,098,600	37,630,450
PLDT-Preferred	9,244	92,440	92,440	-
Engineering Equipment	1,365,312	3,877,486	3,877,486	-
Engineering Equipment Preferred - B	294,700	28,998,480	28,998,480	2,390,023
House of Investments	35,359,951	162,655,775	162,655,775	6,364,791
IPeople Inc.	13,524,971	81,149,826	81,149,826	3,357,574
Panasonic Manufacturing Phils	15,098,883	163,067,936	163,067,936	16,141,989
National Reinsurance	49,167,200	37,858,744	37,858,744	-
PetroEnergy Resource	30,103,023	105,360,581	105,360,581	1,505,151
Double Dragon	100,000	9,700,000	9,700,000	968,500
Double Dragon REIT	22,222,000	22,666,440	22,666,440	2,065,068
Seafront Resources	4,154,000	9,803,440	9,803,440	-
Seafront Resources	1,283,000	3,027,880	3,027,880	-
Filinvest Reit Corp	6,651,500	20,619,650	20,619,650	1,616,315
ACEN Corp Preferred - A	200,000	202,000,000	202,000,000	14,266,000
Cebu Landmaster Inc Series A-1	30,000	30,000,000	30,000,000	2,275,500
Cebu Landmaster Inc Series A-2	30,000	32,190,000	32,190,000	2,475,000
Export & Industry Bank	12,601,000	0	0	-
ALI Voting Preferred	175,400	17,540	17,540	-
Bonifacio Land Corp.	25,888	10,681,648	10,681,648	661,318
Filsyn Corporation	370,883	1	1	-
Marcopper Mining Cor	591,718	2	2	-
Manila Memorial Park	686,198	63,068,458	63,068,458	3,150,421
Manila Mem Park Cemetery	1,029,297	94,602,687	94,602,687	-
PHIL LIVESTOCK	80	80,000	80,000	-
Phil. Machinery Mgnt	20	20,000	20,000	-
ETM Phils Holdings Inc.	25,000,000	236,093,065	236,093,065	2,500,000
YGC-Corporate Servic	34,589	18,621,680	18,621,680	-
Great Pacific Life Holdings	8,511,964	147,849,835	147,849,835	-
Puerto Azul Beach	1	350,000	350,000	-
Alabang Country Club	1	15,000,000	15,000,000	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Anvaya Cove Golf and Country Club	1	4,000,000	4,000,000	-
Alta Vista Golf and Country Club	1	650,000	650,000	-
Canlubang Golf & Country Club	1	8,500,000	8,500,000	-
Manila Golf & Country Club	1	155,000,000	155,000,000	-
Manila Polo Club	1	50,000,000	50,000,000	-
Sta. Elena Properties	2	42,000,000	42,000,000	-
The Country Club, Inc.	1	16,000,000	16,000,000	-
Tagaytay Midlands	1	2,500,000	2,500,000	-
Volley Golf Club	1	4,500,000	4,500,000	-
Wack-Wack Golf Club	1	80,000,000	80,000,000	-
UBS - listed equity securities	various	6,390,473	6,390,473	357,900
Julius Baer - listed equity securities	various	137,150,137	137,150,137	794,227
LGT - listed equity securities	various	53,732,277	53,732,277	1,361,881
AYALA 5.125%	17,458,800	15,205,034	15,205,034	881,972
ACENPM 4% PERP	17,458,800	11,743,244	11,743,244	688,758
UBS (CS) - private bonds	various	506,163,930	506,163,930	16,076,522
BNY Mellon - govt bonds	various	18,521,651	18,521,651	324,921
BNY Mellon - private bonds	various	254,690,347	254,690,347	12,371,109
UBS - govt bonds	various	619,729,611	619,729,611	25,726,502
UBS - private bonds	various	311,518,657	311,518,657	15,737,017
Julius Baer - govt bonds	various	335,029,219	335,029,219	16,284,551
Julius Baer - private bonds	various	185,893,686	185,893,686	10,066,177
LGT1 - private bonds	various	135,833,451	135,833,451	7,386,387
LGT2 - govt bonds	various	198,664,543	198,664,544	6,232,980
LGT2 - private bonds	various	18,127,308	18,127,309	664,697
RTBs	various	29,884,234	29,884,235	14,552,771
FXTNs	various	81,140,653	81,140,653	3,042,079
Ayala Corporation	33,820	15,827,760	15,827,760	-
Ayala Land Inc.	767,317	17,226,267	17,226,267	-
Alliance Global Group Inc.	303,650	2,486,894	2,486,894	30,365
Aboitiz Equity Ventures Inc.	276,550	7,743,400	7,743,400	-
AC Energy Philippines Inc	987,530	2,686,082	2,686,082	-
BDO Unibank Inc.	250,289	33,688,899	33,688,899	-
Areit Inc	150,400	6,542,400	6,542,400	-
Bank of the Philippine Islands	287,527	33,381,885	33,381,885	-
Converge ICT	243,800	3,735,016	3,735,016	-
Chinabank	197,510	11,258,070	11,258,070	-
DMCI Holdings Inc.	373,600	3,937,744	3,937,744	-
Globe Telecom Inc.	3,436	5,442,624	5,442,624	-
GT Capital Holdings Inc.	10,252	6,099,940	6,099,940	-
International Container Termin	110,870	62,863,290	62,863,290	-
Jollibee Foods Corp.	53,920	9,705,600	9,705,600	-
JG Summit Holdings Inc.	321,836	7,611,421	7,611,421	-
Metropolitan Bank & Trust Comp	230,953	15,820,281	15,820,281	-
Manila Electric Company	31,350	17,994,900	17,994,900	-
Monde Nissin Corporation	768,900	4,459,620	4,459,620	123,024
Puregold Price Club Inc.	109,100	4,145,800	4,145,800	-
PLDT Inc.	8,550	10,773,000	10,773,000	-
PLIA Realty Inc. .PLIA Corp	2,000	200,000	200,000	-
San Miguel Corporation SMC	51,480	4,221,360	4,221,360	18,018
Emperador Inc.	340,600	5,449,600	5,449,600	-
SM Investments Corporation	62,758	43,899,221	43,899,221	-
SM Prime Holdings Inc.	1,143,120	26,005,980	26,005,980	-
Universal Robina Corporation	102,460	6,895,558	6,895,558	-
MREIT Inc.	3,007,000	42,098,000	42,098,000	-
Filinvest REIT Corp	7,172,000	22,233,200	22,233,200	-
RL Commercial REIT Inc.	7,427,000	59,564,540	59,564,540	-
Century Pacific Food Inc.	137,300	5,354,700	5,354,700	-
Grand Plaza Hotel Corporation	818,941	4,749,858	4,749,858	-
AC Energy Philippines Inc	379,480	1,032,186	1,032,186	-
Ayala Corporation	13,010	6,088,680	6,088,680	-
Aboitiz Equity Ventures Inc.	107,400	3,007,200	3,007,200	-
Alliance Global Group Inc.	106,100	868,959	868,959	10,610
Ayala Land Inc.	293,300	6,584,585	6,584,585	-
Areit Inc	53,200	2,314,200	2,314,200	-
BDO Unibank Inc.	97,194	13,082,312	13,082,312	-
Bank of the Philippine Islands	110,138	12,787,022	12,787,022	-
Chinabank	69,910	3,984,870	3,984,870	-
Converge ICT	86,500	1,325,180	1,325,180	-
Emperador Inc.	129,300	2,068,800	2,068,800	-
Globe Telecom Inc.	1,305	2,067,120	2,067,120	-
GT Capital Holdings Inc.	3,900	2,320,500	2,320,500	-
International Container Termin	43,010	24,386,670	24,386,670	-
Jollibee Foods Corp.	20,700	3,726,000	3,726,000	-
JG Summit Holdings Inc.	123,600	2,923,140	2,923,140	-
Metropolitan Bank & Trust Comp	88,700	6,075,950	6,075,950	-
DMCI Holdings Inc.	143,400	1,511,436	1,511,436	-
Manila Electric Company	12,040	6,910,960	6,910,960	-
MREIT Inc.	384,100	5,377,400	5,377,400	-
Monde Nissin Corporation	295,300	1,712,740	1,712,740	47,248
Puregold Price Club Inc.	38,700	1,470,600	1,470,600	-
PLDT Inc.	3,285	4,139,100	4,139,100	-
San Miguel Corporation SMC	14,530	1,191,460	1,191,460	5,086
SM Investments Corporation	23,680	16,564,160	16,564,160	-
SM Prime Holdings Inc.	443,800	10,096,450	10,096,450	-
Universal Robina Corporation	39,220	2,639,506	2,639,506	-
Filinvest REIT Corp	916,200	2,840,220	2,840,220	-
RL Commercial REIT Inc.	948,800	7,609,376	7,609,376	-
Century Pacific Food Inc.	49,400	1,926,600	1,926,600	-
AC Energy Philippines Inc	10,000	27,200	27,200	-
Ayala Corporation	820	383,760	383,760	-

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
Aboitiz Equity Ventures Inc.	2,500	70,000	70,000	-
Alliance Global Group Inc.	2,700	22,113	22,113	270
Ayala Land Inc.	7,000	157,150	157,150	-
Areit Inc	3,200	139,200	139,200	-
Chinabank	2,290	130,530	130,530	-
BDO Unibank Inc.	6,014	809,484	809,484	-
Bank of the Philippine Islands	6,640	770,904	770,904	-
Century Pacific Food Inc.	1,200	46,800	46,800	-
Converge ICT	2,200	33,704	33,704	-
DMCI Holdings Inc.	3,400	35,836	35,836	-
Emperador Inc.	3,100	49,600	49,600	-
Globe Telecom Inc.	30	47,520	47,520	-
GT Capital Holdings Inc.	90	53,550	53,550	-
International Container Termin	2,650	1,502,550	1,502,550	-
Jollibee Foods Corp.	500	90,000	90,000	-
JG Summit Holdings Inc.	3,000	70,950	70,950	-
Metropolitan Bank & Trust Comp	2,150	147,275	147,275	-
Manila Electric Company	290	166,460	166,460	-
Monde Nissin Corporation	7,200	41,760	41,760	1,152
Puregold Price Club Inc.	1,000	38,000	38,000	-
PLDT Inc.	80	100,800	100,800	-
San Miguel Corporation SMC	390	31,980	31,980	137
SM Investments Corporation	1,510	1,056,245	1,056,245	-
SM Prime Holdings Inc.	27,500	625,625	625,625	-
Universal Robina Corporation	940	63,262	63,262	-
The Orchard Golf & Country Clu .OGCC	1	3,100,000	3,100,000	-
Riviera Golf & Country Club - .RGCC	1	1,800,000	1,800,000	-
Sta. Elena Golf Club Inc. - B .SEGC	1	22,000,000	22,000,000	-
Universal Leisure Club .ULC	1	1,000,000	1,000,000	-
YGC-CSI Inc. .YGC	12,000	1,200,000	1,200,000	-
Philippines Treasury Notes PIBD0729E673	177,200,000	180,885,760	180,885,760	1,343,767
Philippines Treasury Notes PH0000058125	335,000,000	338,095,400	338,095,400	9,290,434
Philippines Treasury Notes PIBD0729J687	129,100,000	133,884,446	133,884,446	1,958,017
Philippines Treasury Notes PIBD2031G171	652,400,000	709,106,608	709,106,608	23,486,400
Philippines Treasury Notes PIBD1032I695	50,000,000	51,876,000	51,876,000	993,750
BSP Bills BSPT0125L004	35,000,000	34,932,800	34,932,800	-
Ayala Land Inc. YJ3622224	500,000	509,610	509,610	5,968
SM Prime Holdings Inc. DA3608845	1,000,000	1,009,360	1,009,360	7,682
Philippines Treasury Notes PIBD2537H103	47,500,000	46,196,600	46,196,600	1,024,219
Philippines Treasury Notes PIBD2535L086	963,000,000	1,082,604,600	1,082,604,600	3,260,156
Philippines Treasury Notes PIBD2031G171	1,779,500,000	1,934,174,140	1,934,174,140	64,062,000
Philippines Treasury Notes PIBD2536I097	1,045,175,000	1,149,201,268	1,149,201,268	20,366,396
Philippines Treasury Notes PH0000059891	775,000,000	772,411,500	772,411,500	20,723,177
Philippines Treasury Notes PIBD2540I116	896,764,277	775,297,556	775,297,556	12,903,442
Philippines Treasury Notes PIBD2535I071	463,051,000	518,362,442	518,362,442	9,363,920
Philippines Treasury Notes PIBD2531A032	55,000,000	65,717,850	65,717,850	2,664,063
Philippines Treasury Notes PIBD2537H103	162,920,000	158,449,475	158,449,475	3,512,963
Philippines Treasury Notes PIBD2037E214	152,966,000	143,656,489	143,656,489	959,224
Philippines Treasury Notes PIBD2042K253	78,760,000	91,337,184	91,337,184	657,701
Philippines Treasury Notes PIBD1031G662	34,000,000	31,731,180	31,731,180	600,667
Philippines Treasury Notes PH0000057200	78,500,000	83,607,210	83,607,210	2,564,333
Global Peso Note US718286BM88	939,000,000	930,126,450	930,126,450	27,224,479
Philippines Treasury Notes PIBD2039A232	50,000,000	52,109,000	52,109,000	1,471,875
Philippines Treasury Notes PH0000060345	27,000,000	27,568,620	27,568,620	301,219
Philippines Treasury Notes PH0000058786	265,000,000	276,699,750	276,699,750	1,923,090
Philippines Treasury Notes PH0000058786	56,000,000	58,472,400	58,472,400	406,389
Philippines Treasury Notes PH0000058786	590,000	616,048	616,048	4,282
Cebu Landmasters Inc. .CLISL	67,500,000	67,950,765	67,950,765	649,058
Cebu Landmasters Inc. .CLISL	67,500,000	67,650,728	67,650,728	643,524
Cebu Landmasters Inc. .CLISL	31,750,000	31,962,027	31,962,027	305,298
Cebu Landmasters Inc. .CLISL	31,750,000	31,820,898	31,820,898	302,695
Cebu Landmasters Inc. .CLISL	750,000	755,009	755,009	7,212
Cebu Landmasters Inc. .CLISL	750,000	751,675	751,675	7,150
Retail Treasury Bonds PIID2537J015	97,000,000	96,918,520	96,918,520	1,105,733
Philippines Treasury Notes PIBD2534K062	30,000,000	35,533,500	35,533,500	431,667
Philippines Treasury Notes PIBD2535L086	57,919,000	65,112,540	65,112,540	196,080
Philippines Treasury Notes PIBD2537H103	80,000,000	77,804,800	77,804,800	1,725,000
Philippines Treasury Notes PIBD2540I116	583,000,000	504,032,650	504,032,650	8,388,722
Global Peso Note US718286BM88	358,000,000	354,616,900	354,616,900	10,379,514
Philippines Treasury Notes PIBD2039A232	264,650,000	275,812,937	275,812,937	7,790,634
Philippines Treasury Notes PIBD0726B627	7,000,000	7,006,300	7,006,300	166,493
Philippines Treasury Notes PIBD2042K253	563,700,000	653,717,253	653,717,253	4,707,286
Philippines Treasury Notes PIBD1032I695	45,000,000	46,688,400	46,688,400	894,375
Philippines Treasury Notes PH0000057200	37,580,000	40,024,955	40,024,955	1,227,613
Philippines Treasury Notes PIBD2033C206	1,200,000	1,065,096	1,065,096	12,083
Philippines Treasury Notes PIBD1336D016	5,000,000	5,066,800	5,066,800	61,632
Philippines Treasury Notes PH0000058240	150,000,000	148,116,000	148,116,000	3,203,125
Philippines Treasury Notes PH0000059891	637,000,000	634,872,420	634,872,420	17,033,115
Philippines Treasury Notes PH0000058133	190,910,000	193,431,921	193,431,921	5,170,479
Philippines Treasury Notes PIBD1031G662	70,540,000	65,832,866	65,832,866	1,246,207
Philippines Treasury Notes PH0000058786	605,250,000	631,971,788	631,971,788	4,392,266
Philippines Treasury Notes PH0000057218	50,000,000	50,956,000	50,956,000	1,363,542
Philippines Treasury Notes PH0000060345	50,000,000	51,053,000	51,053,000	557,813
Philippines Treasury Notes PIBD2540I116	75,000,000	64,841,250	64,841,250	1,079,167
Philippines Treasury Notes PIBD2026A122	10,000,000	10,019,100	10,019,100	461,250
Philippines Treasury Notes PIBD2039A232	12,500,000	13,027,250	13,027,250	367,969
Philippines Treasury Notes PIBD2039A232	187,500,000	195,408,750	195,408,750	5,519,531
Philippines Treasury Notes PIBD2531A032	5,000,000	5,974,350	5,974,350	242,188
SM Prime Holdings Inc. DA3608845	20,000	20,187	20,187	154
SMC Global Power Holdings BY0062319	34,000,000	33,198,722	33,198,722	492,879
Vista Land and Lifescapes Inc. ZG5080541	60,000,000	59,692,800	59,692,800	320,358

Name of Issuing Entity and Association of each use	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income received and accrued
SM Prime Holdings Inc. YX8602949	24,300,000	25,564,086	25,564,086	32,910
SM Prime Holdings Inc. YR7160702	100,000,000	100,111,000	100,111,000	2,267,440
Energy Development Corporation YX3059954	10,000,000	10,049,070	10,049,070	66,702
Maynilad Water Services Inc YW2514712	38,000,000	37,982,748	37,982,748	591,486
SMC Tollways Corp PH0000059743	102,000,000	92,069,076	92,069,076	510,738
Aboitiz Power Corporation PH0000060790	250,000,000	247,527,500	247,527,500	3,666,697
Petron Corporation PH0000060774	250,000,000	248,975,250	248,975,250	4,310,600
Ayala Land Inc. YJ3622224	25,000,000	25,480,500	25,480,500	298,407
SM Prime Holdings Inc. DA3608845	86,000,000	86,804,960	86,804,960	660,676
SMC Global Power Holdings BY0062319	10,000,000	9,764,330	9,764,330	144,964
SM Prime Holdings Inc. YR7160702	39,000,000	39,043,290	39,043,290	884,302
Vista Land and Lifescapes Inc. ZG5080541	15,000,000	14,923,200	14,923,200	80,090
SM Prime Holdings Inc. YX8602949	8,000,000	8,416,160	8,416,160	10,834
Energy Development Corporation YX3059954	3,000,000	3,014,721	3,014,721	20,011
Maynilad Water Services Inc YW2514712	11,500,000	11,494,779	11,494,779	179,002
SMC Tollways Corp PH0000059743	35,000,000	31,592,330	31,592,330	175,253
Aboitiz Power Corporation PH0000060790	100,000,000	99,011,000	99,011,000	1,466,679
Petron Corporation PH0000060774	100,000,000	99,590,100	99,590,100	1,724,240
Ayala Land Inc. YJ3622224	12,000,000	12,230,640	12,230,640	143,235
SM Prime Holdings Inc. DA3608845	43,000,000	43,402,480	43,402,480	330,338
Philippines Treasury Notes PIBD2038B224	61,000,000	62,485,350	62,485,350	1,420,792
Philippines Treasury Notes PIBD2039A232	3,000,000	3,126,540	3,126,540	88,313
Philippines Treasury Notes PH0000058240	10,000,000	9,874,400	9,874,400	213,542
Philippines Treasury Notes PH0000058786	7,500,000	7,831,125	7,831,125	54,427
Philippines Treasury Notes PH0000059891	2,600,000	2,591,316	2,591,316	69,523
ROP Dollar Bonds 2037 US718286BW60	9,950,000	591,693,395	10,064,525	232,167
ROP Dollar Bonds 2030 US718286AY36	360,000	25,419,291	432,374	14,155
BSP 2027 US059891AA97	2,876,000	180,075,315	3,063,026	10,993
ROP Dollar Bonds 2040 US718286BZ91	10,000,000	520,103,372	8,846,800	176,653
ROP Dollar Bonds 2041 US718286CA32	2,500,000	122,932,830	2,091,050	30,833
PT PERTAMINA (PERSERO) USY7138AAD29	2,950,000	176,677,119	3,005,224	28,517
ROP Dollar Bonds US718286CX35	600,000	35,334,671	601,032	15,033
Perusahaan Listrik Negar US71568QAF46	1,650,000	98,668,080	1,678,314	11,275
Perusahaan Listrik Negar US71568QAH02	1,600,000	96,588,678	1,642,944	43,333
PT PERTAMINA (PERSERO) US69370RAE71	890,000	44,321,852	753,901	17,545
PT PERTAMINA (PERSERO) USY7138AAF76	890,000	51,189,782	870,723	5,702
SMPHI SG HOLDINGS PTE XS3177885418	400,000	23,491,543	399,584	5,542
AT&T Inc US00206RJH66	447,000	23,447,817	398,840	973
AT&T Inc US00206RMX79	20,000	1,195,048	20,327	543
AT&T Inc US00206RJZ64	180,000	8,344,171	141,932	525
General Motors Co US37045VBA70	700,000	42,901,591	729,743	8,313
ROP Dollar Bonds 2028 US718286CC97	2,500,000	143,865,009	2,447,100	31,250
GRHC AFS Equity	-	354,190,365	-	-
GLFAC FVOCI MF	-	22,000,000	-	-
Cebu Holdings, Inc.	15,625	95,625	95,625	70,625
Roxas and Company Inc.	11,476	30,756	30,756	341
Roxas Holdings Inc.	129,792	188,198	188,198	(155,787)
Empire East Land Holdings Inc.	32,430	3,373	3,373	(5,933)
BDO Unibank, Inc.	3,088	415,645	415,645	267,337
Holcim Phils., Inc.	30,000	116,100	116,100	6,100
Lorenzo Shipping Corp	62,500	40,000	40,000	(13,000)
EEI Corporation	155,443,419	441,459,310	441,459,310	(86,441,402)
BDO Leasing and Finance, Inc.	15,000	17,700	17,700	(51,800)
Filinvest Land, Inc.	24,687	19,009	19,009	19,009
Seafront Resources Corp - A	4,697,614	11,086,369	11,086,369	10,522,652
Solid Group, Inc.	340,000	431,800	431,800	336,600
Vitarich Corp	10,000	5,300	5,300	3,650
Rizal Commercial Banking Corp	7,064,986	183,336,387	183,336,387	25,458,779
Sta. Elena Golf Club - A	1	21,000,000	21,000,000	20,400,000
Menzi Industries	1,066	45,478	45,478	-
Menzi & Co., Inc.	222	14,548	14,548	-
Pasig Investments	5,300	-	-	-
Phil. Long Distance Tel-Pref. (Series V)	527	77,000	77,000	-
Heritage Park	2	-		-
Integrated Properties	700	68,137	68,137	-
Sta. Elena Properties	1	7,680,033	7,680,033	-
Zamboanga Industrial Group	-	3,800	3,800	-
Alsons Cement Corp.-delisted 12/16/2002	-	18,750	18,750	-
Subic Power Corp.	-	-		-
YGC Corporate Services, Inc	-	174,423	174,423	-
RCBC Realty Corporation	169,999	8,232	8,232	-
Others	various	167,276,427	167,276,433	-
Subtotal		26,990,433,313	24,465,180,832	556,750,765
Financial assets at amortized cost				
ROPs	various	406,303,790	406,303,790	17,728,202
AYALA 5.125%	29,098,000	29,395,000	29,395,000	1,469,953
RCBC 5.5% 2029	52,783,772	53,453,943	53,453,943	2,869,005
RTBs	various	478,016,724	478,016,724	16,471,670
FXTNs	various	4,129,152,056	4,129,152,517	189,763,625
Investment in Bonds/PN	97,500,000	97,500,000	97,500,000	-
Investment in bonds - HTM	91,081,980	92,323,850	92,323,850	-
Allowance for impairment		(2,449,490)	(2,449,491)	-
Unamortized Discount - HTM		(1,611,453)	(1,611,453)	-
Subtotal		5,282,084,420	5,282,084,880	228,302,455
Total		**42,589,712,425**	**39,879,521,306**	**966,084,943**

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

As at December 31, 2025, the Group has no receivable above ₱1 million or 1% of the total assets, whichever is lower from directors, officers, employees, and principal stockholders (other than related parties).

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Below is the schedule of receivables with subsidiaries, which are eliminated in the consolidated financial statements as at December 31, 2025:

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
Honda Cars, Inc.					
Due from affiliates	–	86,466,585	(77,756,207)	–	8,710,378
	–	86,466,585	(77,756,207)	–	8,710,378
Landev Corporation					
Due from affiliates	1,469,703	12,175,969	(9,242,065)	–	4,403,608
Dividends receivable	32,000,000	31,000,000	(32,000,000)	–	31,000,000
	33,469,703	43,175,969	(41,242,064)	–	35,403,608
La Funeraria Paz Sucat, Inc.					
Due from affiliates	1,029,997	2,561,356	(2,949,546)	–	641,806
	1,029,997	2,561,356	(2,949,546)	–	641,806
Greyhounds Security and Investigation Agency Corporation					
Due from affiliates	822,125	1,827,060	(1,573,355)	–	1,075,831
	822,125	1,827,060	(1,573,355)	–	1,075,831
Hexagon Lounge, Inc.					
Due from affiliates	–	61,264	–	–	61,264
	–	61,264	–	–	61,264
Secon Professional					
Due from affiliates	–	149,900	(108,364)	–	41,536
	–	149,900	(108,364)	–	41,536
Investment Managers, Inc.					
Due from affiliates	161,142	2,414,354	(2,355,817)		219,679
Dividend receivable	6,000,000	7,000,000	(6,000,000)	–	7,000,000
	6,161,142	9,414,354	(8,355,817)	–	7,219,679
ATYC, Inc.					
Due from affiliates	3,315,883	11,510,312	(13,785,636)		1,040,560
Dividend receivable	–	70,000,000	(70,000,000)	–	–
	3,315,883	81,510,312	(83,785,636)	–	1,040,560

(Forward)

Name and Designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts written-off	Balance at end of year
San Lorenzo Ruiz Investment Holdings and Services, Inc.					
Due from affiliates	3,013,079	10,524,803	(11,466,688)	–	2,071,194
	3,013,079	10,524,803	(11,466,688)	–	2,071,194
iPeople, inc. and subsidiaries					
Due from affiliates	5,582,309	111,854,787	(109,515,950)	–	7,921,145
	5,582,309	111,854,787	(109,515,950)	–	7,921,145
MICO Equities, Inc. and subsidiaries					
Due from affiliates	1,600,000	2,078,571	(3,505,357)	–	173,214
	1,600,000	2,078,571	(3,505,357)	–	173,214
RCBC Trust Corporation					
Due from affiliates	3,830,400	3,317,400	(6,594,900)	–	552,900
	3,830,400	3,317,400	(6,594,900)	–	552,900
	58,824,638	**352,942,361**	**(346,853,882)**	–	**64,913,115**

These receivables are non-interest bearing and are expected to be settled within the next twelve (12) months.

Schedule D. Intangible Asset - Other Noncurrent Assets

As at December 31, 2025, the Group's intangible assets consist of goodwill and computer software. Goodwill in the Group's consolidated statements of financial position arose from the acquisition of IPO and MESI. Details of the Group's intangible assets are as follows:

Description	Balance at beginning of year	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Balance at end of year
Goodwill	₱176,176,264	₱ –	₱ –	₱ –	₱ –	₱176,176,264
Intellectual property rights	447,676,000	–	–	–	–	447,676,000
Student relationship	2,971,048	–	(2,228,286)	–	–	742,762
Computer software	41,129,138	13,548,966	(31,741,418)	–	19,734,563	42,671,249
	₱667,952,450	₱13,548,966	(₱33,969,704)	₱ –	₱19,734,563	₱667,266,275

Schedule E. Long-term Debt
Below is the schedule of long-term debt of the Group:

Type of Obligation	Amount	Current	Non-current
ATYC			
Peso-denominated promissory note payable on or before September 30, 2025 together with annual interest of 6.04% due every anniversary of the note starting on September 30, 2023 until the note is fully paid	–	–	–
NTC			
Peso-denominated seven (10) year term loan, payable in 28 quarterly payments starting May 2022 with interest subject to annual repricing based on higher of 5.5% or prevailing 1-year rate plus interest spread	261,277,800	32,573,600	228,704,200
	261,277,800	**32,573,600**	**228,704,200**

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)
There are no outstanding balance by the Group with a related party as at December 31, 2025.

Schedule G. Guarantees of Securities of Other Issuers
There are no guarantees of securities of other issuing entities by the Group as at December 31, 2024.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares held by related parties	Directors, Officers and Employees	Others
Common shares	1,470,000,000	1,469,302,230	1,267,492,501	2,853,400	198,956,329
Preferred shares	2,500,000,000	–	–	–	–

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2025

HOUSE OF INVESTMENTS, INC.

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

Unappropriated Retained Earnings, beginning of reporting period		**5,436,240,622**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	–	
Effect of restatements or prior-period adjustments	–	
Others (describe nature)	–	–
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	264,474,402	
Retained earnings appropriated during the period	–	
Effect of restatements or prior-period adjustments	–	
Others (describe nature)	–	264,474,402
Unappropriated Retained Earnings, as adjusted		**5,171,766,220**
Add/Less: Net Income (Loss) for the current year		**855,291,220**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	–	
Unrealized foreign exchange gain, except those attributed to cash and cash equivalents	–	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Unrealized fair value gain on Investment Property	–	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
Sub-total		–
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Realized fair value gain on Investment Property	–	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
Sub-total		–

Add: <u>Category C.3</u>: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–	
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
Reversal of previously recorded fair value gain on Investment Property	–	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
Sub-total		–
Adjusted Net Income/Loss		**855,291,220**
Add: <u>Category D</u>: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	–	
Sub-total		–
Add: <u>Category E</u>: Adjustments related to relief granted by SEC and BSP (see Footnote 3)		
Amortization of effect of reporting relief	–	
Total amount of reporting relief granted during the year	–	
Others (describe nature)	–	
Sub-total		–
Add (Less): <u>Category F</u>: Other items that should be excluded from the determination of the amount available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	–	
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	(4,295,261)	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	–	
Adjustment due to deviation from PFRS/GAAP	–	
Remeasurement losses - PAS 19 related to discontinued operations	(10,469,410)	
Others (correction of gross deferred tax asset)	(239,506,802)	
Sub-total		**(254,271,473)**
Total Retained Earnings, end of the reporting period available for dividend		**₱5,772,785,967**

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS AS OF DECEMBER 31, 2025 AND 2024

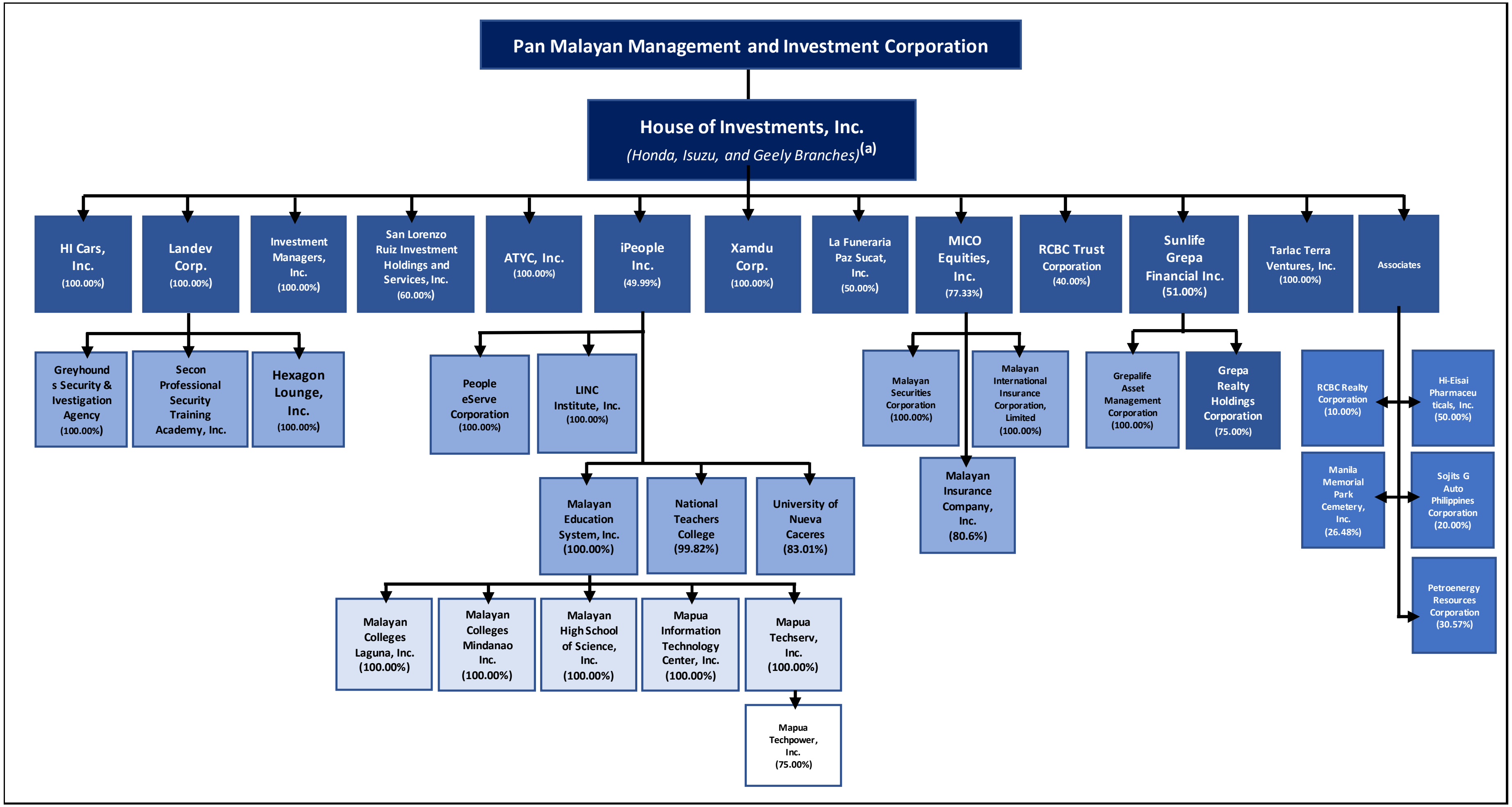
Below are the financial ratios that are relevant to the Group for the years ended December 31, 2025 and 2024:

Financial ratios		**2025**	2024
Current ratio	Current assets / Current liabilities	**0.87:1**	0.91:1
Solvency ratio	Net income plus depreciation / Total liabilities	**0.04:1**	0.03:1
Debt to equity ratio	Total liabilities / Total equity	**2.05:1**	2.17:1
Asset-to-equity ratio	Total assets / Total equity	**3.05:1**	3.17:1
Interest rate coverage	EBIT* / Interest expense	**8.82:1**	6.21:1
Return on assets	Net income / Average total assets	**2.14%**	1.64%
Return on equity	Net income / Average total equity	**6.66%**	5.20%

**Earnings before interest and taxes (EBIT)*

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2025:



House of Investments, Inc and Subsidiaries
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
December 31, 2025

Supplementary Schedule of External Auditor Fee-Related Information

	2025	2024
Total Audit Fees (Section 2.1a)[1]	**₱1,800,000**	₱1,200,000
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Non-audit Fees (Section 2.1b)[2]	–	–
Total Audit and Non-audit Fees	**₱1,800,000**	₱1,200,000
Audit and Non-audit fees of other related entities (Section 2.1c)[3]		
Audit Fees	**₱15,570,627**	₱16,739,041
Non-audit services fees:		
Other assurance services	–	–
Tax services	–	1,690,000
All other services	**180,000**	–
Total Audit and Non-audit fees of other related entities	**₱15,750,627**	₱18,429,041

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