HOUSE OF INVESTMENTS

ANNEX "C"

MANAGEMENT REPORT

PART I BUSINESS

Item 1: Description of Business

1.1 Business Development

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

1.2 Business of the Issuer

THE HOLDING COMPANY

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

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

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

CORE BUSINESS UNITS:

FINANCIAL SERVICES

MICO EQUITIES, INC. AND SUBSIDIARIES

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

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

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

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

RCBC TRUST CORPORATION

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

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

SUN LIFE GREPA FINANCIAL, INC.

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

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

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

EDUCATION

iPEOPLE, INC. AND SUBSIDIARIES

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

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

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

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

The operating schools under the iPeople network are as follows:

(1) **Malayan Education System, Inc. (Operating under the name of Mapúa University).** Founded in 1925 by Don Tomas Mapúa, an architecture graduate of Cornell University in the United States and the first registered architect of the Philippines, Mapúa University is the country's premier engineering and technological university. It unceasingly fosters its long tradition of leading-edge excellence in various fields of studies, such as Engineering and Sciences, Architecture and Design, Information Technology, Business and Management, Communication and Media Studies, Health Sciences, and Social Sciences and Education, and provides students with a learning environment that will make them globally competitive.

(2) **Mapúa Malayan Colleges Laguna ("Mapúa MCL")** is a tertiary institution located in Cabuyao, Laguna, offering 22 baccalaureate programs and one master's program. Its degree-offering colleges and institute include the Mapúa Institute of Technology at Laguna, the E.T. Yuchengco College of Business, the College of Computer and Information Science, the College of Arts and Science, the Mapúa-PTC College of Maritime Education, and the Institute for Excellence in Continuing Education and Lifelong Learning. The institution started with 860 students in 2007 and now has over 6,000 students in both college and Senior High School (SHS). Beginning SY2024-2025, MMCL offered Bachelor of Science Degree in Aeronautical Engineering and an Associate Degree in Aircraft Maintenance in the second term.

(3) **Mapúa Malayan Colleges Mindanao ("Mapúa MCM")** was established to offer a Mapua education in Davao and Mindanao. Located along General Douglas MacArthur Highway in Matina, Davao City, MMCM opened its doors to junior high school student in 2021 and senior high school and college students on July 2, 2018. The institution is committed to transforming students into globally competitive professionals that are highly preferred by industries locally and abroad. MMCM stands out from other colleges and universities in Mindanao due to its learner-centered outcomes-based education, blended online and face-to-face learning sessions, industry partnerships, Mindanao-centric learning, and advanced learning facilities.

(4) **Malayan High School of Science, Inc. ("MHSS")** is a wholly-owned subsidiary of Mapúa University. MHSS is a science- and math-oriented high school located in Pandacan, Manila. Modeled after similar but publicly funded science high schools, MHSS offers a rigorous academic program geared towards graduating hard-working, mathematical and scientific-trained students that will excel in their university studies and beyond. The school is focused on optimizing student-to-teacher time and in providing a top-notch faculty, state-of-the-art facilities, and a curriculum that will allow students to "fully express not only their scientific inclinations but also their artistic bent."

(5) **The University of Nueva Caceres ("UNC"),** the first university in Southern Luzon, traces its humble beginning with the benevolence of Dr. Jaime Hernandez, former Secretary of the Department of Finance, as his way of giving back to the Bicolano community. In February 1948, Dr. Hernandez together with other prominent Bicolanos, formed the Nueva Caceres College, and in 1953, the school attained University Status. In July 2015, the University of Nueva Caceres partnered with Ayala Corporation through Ayala Education, Inc to further enhance the quality of education through industry and technology driven innovations. Currently, the University offers complete basic education, four programs in the College of Arts and Sciences, thirteen in the College of Business and Administration, five in the College of Computer Studies, thirteen in the College of Education, six in the College of Engineering, Nursing Course, Criminal Justice Education, Juris Doctor, and three Doctorate and fifteen Masters Degree programs in the Graduate Studies department. UNC endeavors to fulfill its tri-focal function of instruction, research, and extension while making education accessible and affordable. The battle cry "from first to number one" summarizes UNC's goals of excellence in quality, access, relevance, and responsiveness. UNC aims to be known not only as the first university in Bicol, but to be the Number 1 university in terms of employability of graduates.

(6) The **National Teachers College (Doing Business Under the Name of the National Teachers College)("NTC")** was founded by Dr. Segundo M. Infantado, Sr., a former Director of Public

Instruction of the Philippines and Dr. Flora Amoranto-Ylagan, one of the country's leading educators. NTC was officially incorporated on September 29, 1928 and was authorized by the Department of Public Instruction on April 17, 1929 to operate as an educational institution. Its doors opened to the student public on June 10, 1929 and was granted government recognition on February 17, 1930. NTC was the first Higher Education Institution in the Philippines to offer collegiate programs dedicated to teacher education. Among private educational institutions in the Philippines, it has attained a pre-eminent place in educational leadership, particularly in the field of teacher education. Its performance in the Licensure Examination for Teachers is always above the national passing rate. NTC continues to perform its share in educating and training teachers, administrators, supervisors, and other professionals who will serve in the interest of the Republic of the Philippines and the world at large.

PROPERTY & PROPERTY SERVICES

ATYC, INC.

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

SAN LORENZO RUIZ INVESTMENT HOLDINGS AND SERVICES, INC.

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

GREPA REALTY HOLDINGS CORPORATION

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

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

TARLAC TERRA VENTURES, INC.

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

RCBC REALTY CORPORATION

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

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

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

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

LANDEV CORPORATION

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

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

AUTOMOTIVE

HI CARS, INC.

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

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

PORTFOLIO INVESTMENTS:

ENERGY

PETROENERGY RESOURCES CORPORATION

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

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

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

(1) Maibarara Geothermal, Inc.("MGI") – owner and developer of the 32 MW Maibarara Geothermal Power Project ("MGPP") in Santo Tomas, Batangas;

(2) PetroSolar Corporation ("PSC") – owner and developer of the 70 MW_{DC} Tarlac Solar Power Project ("TSPP") in Tarlac City;

(3) PetroWind Energy Inc. ("PWEI") – owner and developer of the 49.2 MW Nabas Wind Power Project ("NWPP") in Nabas and Malay, Aklan;

(4) Rizal Green Energy Corporation ("Rizal Green") – owner and developer of the following solar power projects through their respective special purpose vehicles: (a) the 27 MW_{DC} Dagohoy Solar Power Project in Bohol ("DSPP", operated by Dagohoy Green Energy Corporation); (b) the 19.6 MW_{DC} San Jose Solar Power Project in Nueva Ecija ("SJSPP", operated by San Jose Green Energy Corporation); (c) the 25 MW_{DC} Bugallon Solar Power Project in Pangasinan ("BSPP", operated by Bugallon Green Energy Corporation); and (d) the 40 MW_{DC} Limbauan Solar Power Project in Isabela ("LSPP", operated by BKS Green Energy Corporation);

(5) EcoSolar Energy Corporation – owner and developer of the following projects in the pipeline: (a) the 20 MW/40 MWh Panitan Energy Storage Project ("PESP") and (b) the ~90 MW_{DC} Panitan Solar Power Project ("PSPP"), both in Capiz; and

(6) Buhawind Energy Northern Luzon Corporation ("BENLC"), Buhawind Energy Northern Mindoro Corporation ("BENMC"), and Buhawind Energy East Panay Corporation ("BEEPC") – owners of offshore wind energy service contracts covering, Northern Luzon, Northern Mindoro, and East Panay offshore areas, respectively, with an aggregate capacity of 4 GW.

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

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

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

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

HEALTHCARE

HI-EISAI PHARMACEUTICAL, INC.

HI-Eisai Pharmaceutical, Inc. ("HEPI") is engaged in the manufacture of pharmaceuticals in the Philippines, export, import, sell at wholesale or otherwise distribute drugs, medicine and pharmaceuticals and non-pharmaceutical health products, of all kinds and descriptions, including but not limited to, quasi drugs, cosmetics and toiletry, medical instruments, medical and pharmaceutical apparatus and appliances, sanitary goods, foods, food additives, drinks, pharmaceuticals and medicines for veterinary use, feed additives, agricultural drugs and chemical products, strong or violent drugs and poisons. HEPI is a joint venture between House of Investments and the Eisai Co., Ltd. of Japan with the Company owning 50%. Through this long-standing partnership, HEPI has successfully established a strong presence in the Philippine market over the past 50 years. This collaboration has played a pivotal role in advancing healthcare and improving the lives of Filipino patients and their families by introducing innovative medicines to the country.

DEATHCARE

MANILA MEMORIAL PARK CEMETERY, INC.

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

LA FUNERARIA PAZ-SUCAT, INC.

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

OUR RISK MANAGEMENT

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

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

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

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

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

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

Compliance and Regulatory Risk
The Group operates in multiple regulated industries and is subject to various laws, rules, and regulations. Changes in regulatory requirements or failure to comply with applicable laws may result in penalties, legal liabilities, increased operational costs, and potential disruption of business activities. The Group

manages these risks by monitoring emerging laws and regulations and industry developments affecting or may affect its business. The Group takes the position of proactively participating in consultations and dialogues with pertinent regulatory agencies and organizations relevant to its operations strengthening its capability to anticipate and adapt to potential changes, aiming to attain thought leadership status in the industry where it operates.

ESG and Sustainability Risk

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

Operational Risk

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

Geopolitical and External Risk

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

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

Item 2: Properties

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

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

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
HOUSE OF INVESTMENTS, INC.		
Quezon Avenue	2002	Industrial
SAN LORENZO INVESTMENT HOLDINGS AND SERVICES, INC.		

PROPERTY DESCRIPTION	DATE ACQUIRED	TYPE
Sen. Gil Puyat Ave., Makati	2019	For development
ATYC, INC.		
Bonifacio Global City, Taguig	2022	Office/Commercial
GREPA REALTY HOLDINGS CORPORATION		
Sen. Gil Puyat Ave., Makati	2011	Office/Commercial
Calamba Laguna	2011	Land – Industrial
Binondo, Manila	2011	Office Units
Osmena Boulevard, Cebu City	2011	Office Condominium Units
North Reclamation Area, Cebu City	2011	Land – Commercial
Barangay Dela Paz, Antipolo City	2011	Land – Residential
Sagcahan, Tacloban City	2011	Land – Commercial/Residential
TARLAC TERRA VENTURES, INC.		
Bo. San Miguel, Tarlac City	2023	Land – Industrial
MALAYAN INSURANCE COMPANY, INC.		
Alcala, Pangasinan	1961	Land - Commercial
JP Laurel St. Lanang, Davao City	1974	Land - Commercial
Bo. Bangad, Cabanatuan City	1975	Land – Commercial
Eliza Valley Subd, Cebu City	1975	Office/Commercial
JP Laurel St, Davao City	1976	Office/Commercial
Eliza Valley Subd, Cebu City	1977	Office/Commercial
Binondo, Manila	1978	Condominium Office Units
Salcedo Village, Makati City	1986	Condominium Office Units
Salcedo Village, Makati City	1989	Condominium Office Units
Bo. Tungtong, Las Pinas City	1993	Land – Commercial
Binondo, Manila	1995	Condominium Office Units
Mactan Island, Cebu	1996	Condominium Units and Parking
Salcedo Village, Makati City	1998	Condominium Office Units
Calumpit, Bulacan	2004	Land - Commercial
Calumpit, Bulacan	2004	Land - Commercial
Commonwealth, Quezon City	2006	Land - Commercial
Mayapa, Laguna	2007	Land - Commercial
Binondo, Manila	2008	Condominium Office Units
Binondo, Manila	2010	Condominium Office Unit
Binondo, Manila	2010	Condominium Office Unit
Binan, Laguna	2018	Office/Commercial
Bo. Tungtong, Las Pinas City	1993	Land – Commercial
Binondo, Manila	1995	Condominium Office Units
MALAYAN EDUCATION SYSTEM, INC.		
Intramuros, Manila	1999	School campus
Intramuros, Manila	2013	Vacant lot for expansion
Sta. Cruz, Makati City	2018	School Campus
MALAYAN HIGH SCHOOL OF SCIENCE, INC.		
Paco, Manila	2002	School campus
MALAYAN COLLEGES LAGUNA, INC.		
Cabuyao, Laguna	2010	School campus
Cabuyao, Laguna	2012	Vacant lot for expansion
MALAYAN COLLEGES MINDANAO, INC.		
Ma-a, Davao	2015	School campus
Ma-a, Davao	2018	School campus
NATIONAL TEACHERS COLLEGE		
Quiapo, Manila	2019	School Campus
Quiapo, Manila	2019	School Campus
Quiapo, Manila	2019	School Campus
Mendiola	2024	Lease of space
San Jose del Monte City, Bulacan	2025	Vacant Lot
UNIVERSITY OF NUEVA CACERES		
J. Hernandez Ave., Naga City	2019	School Campus

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

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
HI CARS, INC.		

PROPERTY DESCRIPTION	LOCATION	LEASE EXPIRATION
Dealership	Paco, Manila	2026
Dealership	Paco, Manila	2026
Dealership	Commonwealth, QC	2034
Service Center	Tandang Sora, QC	2028
Dealership	Leyte	2030
Warehouse	Leyte	2029
Dealership	Quezon Avenue, Q.C.	2027
Dealership	Mandaluyong	2028
MALAYAN INSURANCE COMPANY, INC.		
Branch	Laoag	2025
Branch	Legazpi	2030
Branch	Tuguegarao	2026
Branch	Ortigas	2026
Branch	Quezon Ave	2025
Branch	Tagum	2027
Office	Binondo	2028
Office	Binondo	2028
Office	Binondo	2028
Office	Binondo	2028
Office	Binondo	2028
Branch	Alabang	2030
Branch	Cabanatuan	2030
Branch	Baguio	2030
Branch	Calamba	2030
Branch	Cebu	2030
Branch	General Santos	2025
Branch	Iloilo	2030
Branch	Palawan	2030
Branch	Tagbilaran	2030
Branch	CDO	2030
Branch	Dumaguete	2025
Branch	Dagupan	2025
Branch	General Santos	2025
Branch	Makati	2030
Branch	Laguna	2027
RCBC TRUST CORPORATION		
Office	Makati, Metro Manila	2030
Office	Makati, Metro Manila	2026
SUN LIFE GREPA FINANCIAL, INC.		
Branch Office	San Fernando City, La Union	2026
Branch Office	Dagupan City	2027
Branch Office	Cabanatuan City	2029
Branch Office	Baguio City	2027
Branch Office	Calapan City, Oriental Mindoro	2026

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

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

Item 3 – Legal Proceedings

House of Investments filed a Petition for Review before the Court of Tax Appeals (CTA) on March 16, 2023 to contest the deficiency tax assessment issued by the Bureau of Internal Revenue for taxable year 2016. The Company's motion to suspend the collection of the assessed taxes was granted by the Court, resulting in the lifting of the Warrant of Distraint and Levy. The case has been submitted for decision and remains pending before the CTA Second Division. Meanwhile, the Bureau of Internal Revenue has filed a Petition for Certiorari before the Supreme Court in connection with the order suspending the collection of the assessed taxes. The Company seeks the cancellation and setting aside of the deficiency tax assessment for lack of factual and legal basis.

HI Cars, Inc. (HCI) filed a Petition for Review before the Court of Tax Appeals on June 11, 2024 against the Commissioner of Internal Revenue in connection with deficiency internal revenue tax assessments issued by the Bureau of Internal Revenue (BIR) for the taxable year 2019. Following the issuance of Final Decision on Disputed Assessment denying the Company's protest, the Company filed a Petition for Review at the Court of Tax Appeals to cancel and set aside the deficiency tax assessment for utter lack of factual and legal basis.

Except for the foregoing, the Company is not aware of any other material legal proceedings that are contemplated by any governmental authority or any other entity.

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

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

PART II SECURITIES OF REGISTRANT

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

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

STOCK PRICE PERIOD	HIGH	LOW
2026 Second Quarter	5.30	4.40
2026 First Quarter	4.77	4.20
2025 Fourth Quarter	4.60	4.51
2025 Third Quarter	3.89	3.88
2025 Second Quarter	3.42	3.42
2025 First Quarter	3.57	3.24
2024 Fourth Quarter	3.65	3.38
2024 Third Quarter	4.09	3.24
2024 Second Quarter	3.51	3.32
2024 First Quarter	3.85	3.22

The common stock (PSE: HI) is traded on the Philippine Stock Exchange.
The market price of House of Investments' common stock as of June 9, 2026 (latest practicable trading date) is at P4.65 for high and P4.65 for low.

b. **Stockholders**
The top 20 owners of common stock as of June 30, 2026 are as follows:

STOCKHOLDER	COMMON SHARES	% OF TOTAL
Pan Malayan Management & Investment Corp.	692,463,366	47.13%
PCD Nominee Corp – Filipino	416,441,445	28.37%
GPL Holdings, Inc.	295,133,148	20.08%
PCD Nominee Corp – Non-Filipino	22,969,016	1.54%
A.T. Yuchengco, Inc.	7,036,070	0.48%
GDSK Development Corporation	5,064,840	0.34%
Go Soc & Sons and Sy Gui Huat, Inc.	4,019,890	0.27%
Y Realty Corporation	3,545,890	0.24%
Malayan Securities Corporation	2,790,000	0.19%
Seafront Resources Corp.	2,484,000	0.17%
Meer, Alberto M.	2,217,030	0.15%
Enrique T. Yuchengco, Inc.	1,211,360	0.08%
Villonco, Vicente S.	803,800	0.05%
RP Land Development Corp.	726,720	0.05%
Dee Helen Y. ITF: Michelle	643,010	0.04%
Lim, Tek Hui	627,000	0.04%

STOCKHOLDER	COMMON SHARES	% OF TOTAL
EBC Securities Corporation	488,450	0.03%
Dee, Helen Y. Dee ITF Johanna Y.	482,290	0.03%
Bardey, John C.	476,230	0.03%
Wilson, Cathleen Ramona	420,170	0.03%
SUB TOTAL	1,460,043,725	99.33%
Others	9,258,505	0.63%
TOTAL	**1,469,302,230**	**100.00%**

House of Investments has a total of 363 common shareholders owning a total of 1,469,302,230 shares as of June 30, 2026.

c. **Dividends**

In accordance with the Corporation Code of the Philippines, House of Investments intends to declare dividends (either in cash or stock or both) in the future. Common stockholders of the Company are entitled to receive a proportionate share in cash dividends that may be declared by the Board of Directors out of surplus profits derived from House of Investments' operations. The Company does not have a defined dividend policy.

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

The company has declared cash dividends as follows:

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

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

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

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

(B) DESCRIPTION OF REGISTRANTS SECURITIES: COMMON STOCK

The equity capital structure of the firm as of December 31, 2024 is shown below:

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

PART III FINANCIAL INFORMATION

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

Management Discussion and Analysis

CONSOLIDATED RESULTS

Year 2025 vs. 2024

RESULTS OF OPERATIONS

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

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

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

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

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

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

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

Financial Position

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

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

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

Total noncurrent assets increased from P84.06 billion to P92.80 billion, driven mainly by additional investments of the financial services segment, and increase in construction in progress recorded under property and equipment. The increase in financial assets at fair value through profit or loss (FVTPL), through other comprehensive income (FVOCI), and investment at amortized cost was mainly due to additional investments of the financial services sector coupled with fair value gains as of the period. Investments in associates and joint ventures increased due to equity earnings for the period driven by higher net income of affiliates. Increase in deferred tax assets is mainly attributable to additional provisions recognized by the financial services segment. Increase in right-of-use assets pertains to new lease agreements entered into by the Group. On the other hand, retirement asset dropped due to benefit payments made during the year. Deferred acquisition costs represent commissions and other expenses related to the issuance and renewal of insurance contracts by the non-life business. The increase in other non-current assets was attributable to additional input tax on capital goods arising from construction in progress within the property and property services segment.

LIABILITIES and EQUITY	**Dec-2025**	Dec-2024	Change (₱)	% Change	% to Total
Current Liabilities					
Accounts payable and other current liabilities	**₱8,061,036,339**	₱9,883,117,824	(₱1,822,081,485)	(18.4%)	4.6%
Loans payable	**10,398,665,000**	5,635,000,000	4,763,665,000	84.5%	5.9%
Segregated fund liabilities	**49,029,028,334**	42,142,462,815	6,886,565,519	16.3%	27.9%
Current portion of long-term debt	**32,573,600**	32,573,600	-	-	-
Current portion of contract liabilities	**1,469,268,526**	1,464,893,638	4,374,888	0.3%	0.8%
Current portion of insurance contract liabilities	**26,060,567,140**	31,956,515,864	(5,895,948,724)	(18.4%)	14.8%
Current portion of lease liability	**150,345,529**	167,708,899	(17,363,370)	(10.4%)	0.1%
Income tax payable	**236,197,636**	139,014,263	97,183,373	69.9%	0.1%
Due to related parties	**153,973,334**	148,011,591	5,961,743	4.0%	0.1%
Total Current Liabilities	**95,591,655,438**	91,569,298,494	4,022,356,944	4.4%	54.4%
Non-Current Liabilities					
Long-term debt - noncurrent portion	**228,704,200**	2,682,729,050	(2,454,024,850)	(91.5%)	0.1%
Contract liabilities - noncurrent portion	**160,886,163**	112,250,951	48,635,212	43.3%	0.1%
Insurance contract liabilities - noncurrent portion	**17,907,523,571**	15,747,336,991	2,160,186,580	13.7%	10.2%
Lease Liability - noncurrent	**690,346,777**	562,687,392	127,659,385	22.7%	0.4%
Deferred tax liabilities	**2,212,539,684**	2,101,968,409	110,571,275	5.3%	1.3%
Retirement liabilities	**807,377,239**	847,990,521	(40,613,282)	(4.8%)	0.5%
Deferred reinsurance commissions	**241,302,345**	245,799,378	(4,497,033)	(1.8%)	0.1%
Other noncurrent liabilities	**149,465,625**	899,972,615	(750,506,990)	(83.4%)	0.1%
Total Noncurrent Liabilities	**22,398,145,604**	23,200,735,307	(802,589,703)	(3.5%)	12.8%
TOTAL LIABILITIES	**117,989,801,042**	114,770,033,801	3,219,767,241	2.8%	67.2%
Equity					
Attributable to equity holders of the Parent Company					
Common stock	**₱2,201,795,746**	₱2,201,795,746	₱ -	-	1.3%
Additional paid in capital	**14,808,241,606**	14,808,241,606	-	-	8.4%
Equity reserve on acquisition of noncontrolling interest	**(806,224,306)**	(806,224,306)	-	-	(0.5%)
Revaluation increment on land	**4,251,766,552**	3,779,148,385	472,618,167	12.5%	2.4%
Cumulative translation adjustment	**52,070,669**	47,177,851	4,892,818	10.4%	0.0%
Changes in fair value of equity investments carried at FVOCI	**74,098,492**	(352,644,065)	426,742,557	121%	0.0%
Remeasurement losses on net retirement liability	**(88,078,445)**	(59,802,377)	(28,276,068)	47.3%	-0.1%
Remeasurement on legal policy reserves	**34,071,172**	(13,652,322)	47,723,494	(349.6%)	0.0%
Retained Earnings					
Unappropriated	**13,719,852,267**	11,813,200,762	1,906,651,505	16.1%	7.8%
Appropriated	**1,700,000,000**	1,700,000,000	-	-	1.0%
	35,947,593,753	33,117,241,280	2,830,352,473	8.5%	20.5%
Noncontrolling interest	**21,643,066,343**	19,756,668,041	1,886,398,302	9.5%	12.3%
TOTAL EQUITY	**57,590,660,096**	52,873,909,321	4,716,750,775	8.9%	32.8%
TOTAL LIABILITIES AND EQUITY	**₱175,580,461,138**	₱167,643,943,122	7,936,518,016	4.7%	100%

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

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

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

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

Results of Operations

2024 vs 2023

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

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

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

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

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

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

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

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

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

FINANCIAL POSITION

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

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

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

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

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

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

Consolidated equity amounted to P52.87 billion. The growth was primarily driven by the net income generated during the year as well as the increase in fair value of properties, tempered by changes in fair value of equity investments carried at FVOCI and remeasurement losses on net retirement liability. The

Group continues to maintain a strong capital base to support its ongoing operations and future expansion initiatives.

Year 2023 vs. 2022

RESULTS OF OPERATIONS

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

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

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

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

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

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

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

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

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

FINANCIAL POSITION

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

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

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

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

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

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

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

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

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

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

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

Financial Ratios

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

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

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

**Earnings before interest and taxes*

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

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

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

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

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

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

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

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

Other qualitative and quantitative factors

(i) There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way;

   a. House of Investments does not anticipate any cash flow or liquidity problems within the next twelve months;
   b. House of Investments is not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement which will require the Company to make payments;
   c. There is no significant amount of trade payable that have not been paid within the stated terms; and
   d. House of Investments depends on dividends from its subsidiaries as its source of liquidity.

(ii) There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;

(iii) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period;

(iv) Below are the material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

San Lorenzo Ruiz Investment Holdings and Services, Inc. is redeveloping a property along Sen. Gil J. Puyat Avenue in Makati into a mix-use commercial complex through a joint venture with Sojitz Corporation of Japan. The estimated development cost is P9.3 billion.

(v) There is no known trend, event or uncertainty that have had or that are reasonably expected to have a material impact on the net sales or revenues or income of the Group from continuing operations;

(vi) There are no significant elements of income or loss that did not arise from the House of Investments' continuing operations;

(vii) The causes for any material change from period to period which shall include vertical and horizontal analyses of any material item are discussed above;

(viii) There are no seasonal aspects that had a material effect on the financial condition or results of operations.