

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES
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AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

CONSOLIDATED FINANCIAL STATEMENTS

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED
FINANCIAL STATEMENTS**


The management of House of Investments, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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


HELEN Y. DEE
Chairman of the Board

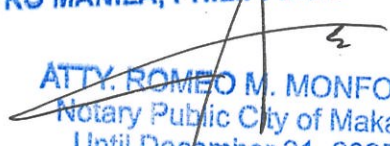

LORENZO V. TAN
President and Chief Executive Officer


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

Signed this APR 29 2025 day of 2025

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Book No. 17 :
Series of 20 25

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


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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of House of Investments, Inc. (the Parent Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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

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



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

Recoverability of Nonfinancial Assets

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

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

Audit Response

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

Estimation of Insurance Contract Liabilities

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

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



Audit Response

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

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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



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

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

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

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



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

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

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

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

SYCIP GORRES VELAYO & CO.


Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

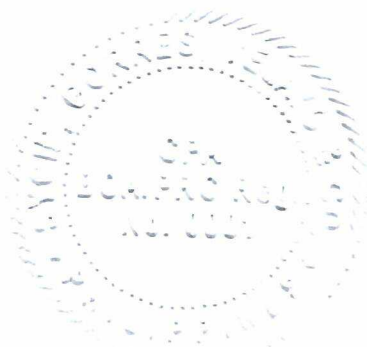
Tax Identification No. 225-158-629

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

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

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

April 14, 2025



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

LIABILITIES AND EQUITY

Current Liabilities

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

(Forward)



	December 31	
	2024	2023
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 27)	₱2,682,729,050	₱2,709,237,650
Contract liabilities - net of current portion (Note 10)	112,250,951	124,339,470
Insurance contract liabilities - net of current portion (Note 28)	15,747,336,991	14,026,067,186
Lease liabilities - net of current portion (Note 22)	562,687,392	510,109,278
Deferred tax liabilities - net (Note 37)	2,101,968,409	1,990,204,297
Retirement liabilities (Note 36)	847,990,521	684,971,030
Deferred reinsurance commissions (Note 21)	245,799,378	198,267,206
Other noncurrent liabilities (Note 19)	899,972,615	1,486,005,501
Total Noncurrent Liabilities	23,200,735,307	21,729,201,618
Total Liabilities	114,770,033,801	109,749,812,507
Equity		
Attributable to equity holders of the Parent Company		
Common stock (Note 39)	2,201,795,746	2,201,795,746
Additional paid-in capital	14,808,241,606	14,808,241,606
Equity reserve on acquisition of non-controlling interest	(806,224,306)	(868,077,102)
Revaluation increment on land - net (Note 20)	3,779,148,385	3,289,823,486
Cumulative translation adjustments	47,177,851	46,376,718
Fair value reserve of equity investments at FVOCI (Note 16)	(352,644,065)	(47,667,218)
Remeasurement loss on retirement obligation (Note 36)	(59,802,377)	(18,380,970)
Remeasurement on legal policy reserves	(13,652,322)	–
Retained earnings (Note 40)		
Unappropriated	11,813,200,762	7,390,657,134
Appropriated	1,700,000,000	5,200,000,000
	33,117,241,280	32,002,769,400
Non-controlling interests (Note 40)	19,756,668,041	18,211,850,514
Total Equity	52,873,909,321	50,214,619,914
Total Liabilities and Equity	₱167,643,943,122	₱159,964,432,421

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE (Note 30)	₱36,096,981,006	₱11,094,211,630	₱9,478,680,114
COSTS OF SALES AND SERVICES (Notes 13 and 31)	27,949,445,942	8,067,570,593	6,873,239,184
GROSS PROFIT	8,147,535,064	3,026,641,037	2,605,440,930
GENERAL AND ADMINISTRATIVE EXPENSES (Note 33)	(5,001,533,998)	(1,680,825,829)	(1,570,794,443)
EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES (Note 18)	81,479,896	116,716,080	530,888,513
INTEREST AND FINANCE CHARGES (Notes 26, 27, 22 and 35)	(630,532,352)	(525,779,116)	(271,576,420)
OTHER INCOME - Net (Note 32)	688,822,300	243,482,184	311,999,656
INCOME BEFORE INCOME TAX	3,285,770,910	1,180,234,356	1,605,958,236
PROVISION FOR INCOME TAX (Note 37)	607,080,589	138,322,300	48,404,042
NET INCOME FROM CONTINUING OPERATIONS	2,678,690,321	1,041,912,056	1,557,554,194
NET INCOME (LOSS) FROM DECONSOLIDATED OPERATIONS (Notes 6 and 7)	—	(426,307,138)	166,789,425
NET INCOME	₱2,678,690,321	₱615,604,918	₱1,724,343,619
Net income attributable to:			
Equity holders of the Parent Company	₱1,375,145,646	₱440,794,487	₱1,174,088,374
Non-controlling interests	1,303,544,675	174,810,431	550,255,245
	₱2,678,690,321	₱615,604,918	₱1,724,343,619
EARNINGS PER SHARE (Note 38)			
Basic/diluted earnings per share attributable to Equity holders of the Parent Company	₱0.9359	₱0.3000	₱1.1270

See accompanying Notes to Consolidated Financial Statements.



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

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

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Attributable to Equity Holders of the Parent Company												
	Capital stock (Note 39)	Additional paid-in capital	Equity reserve on acquisition of non-controlling interest	Revaluation increment on land - net (Note 20)	Cumulative translation adjustments (Notes 18)	Fair Value reserve of equity investments at FVOCI (Note 16)	Remeasurement on legal policy reserves	Remeasurement loss on retirement (Note 36)	Retained earnings		Subtotal	Non-controlling interests (Note 39)	Total
									Unappropriated (Note 40)	Appropriated (Note 40)			
As at January 1, 2024	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,914
Net income	–	–	–	–	–	–	–	–	1,375,145,646	–	1,375,145,646	1,303,544,675	2,678,690,321
Other comprehensive income	–	–	–	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	–	–	85,258,904	384,605,296	469,864,198
Total comprehensive income	–	–	–	482,359,945	13,858,444	(324,275,403)	(13,652,322)	(73,031,762)	1,375,145,646	–	1,460,404,550	1,688,149,971	3,148,554,519
Acquisition of non-controlling interest	–	–	61,852,796	82,072,889	–	–	–	(593,241)	–	–	143,332,444	(143,332,444)	–
Reclassification of investment in associates to FVOCI	–	–	–	(75,107,937)	(13,057,311)	80,158,119	–	32,203,598	(24,196,469)	–	–	–	–
Sale of FVOCI adjustments	–	–	–	–	–	(60,859,563)	–	–	60,859,563	–	–	–	–
Dividend declaration (Note 40)	–	–	–	–	–	–	–	–	(73,465,112)	–	(73,465,112)	–	(73,465,112)
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	(415,800,000)	–	(415,800,000)	–	(415,800,000)
Release of appropriation	–	–	–	–	–	–	–	–	3,500,000,000	(3,500,000,000)	–	–	–
As at December 31, 2024	₱2,201,795,746	₱14,808,241,606	(₱806,224,306)	₱3,779,148,385	₱47,177,851	(₱352,644,065)	(₱13,652,322)	(₱59,802,377)	₱11,933,920,963	₱1,700,000,000	₱33,237,961,481	₱19,756,668,041	₱52,873,909,321
As at January 1, 2023	₱1,162,540,326	₱154,578,328	₱1,932,007,449	₱2,218,473,182	₱352,101,517	₱111,000,523	₱–	(₱14,062,367)	₱4,944,402,862	₱7,505,355,000	₱18,366,396,820	₱17,497,986,435	₱35,864,383,255
Net income	–	–	–	–	–	–	–	–	440,794,487	–	440,794,487	174,810,431	615,604,918
Other comprehensive income	–	–	–	1,090,299,035	(3,276,506)	(96,260,600)	–	(47,249,261)	–	–	943,512,668	972,119,875	1,915,632,543
Total comprehensive income	–	–	–	1,090,299,035	(3,276,506)	(96,260,600)	–	(47,249,261)	440,794,487	–	1,384,307,155	1,146,930,306	2,531,237,461
Issuance of new shares	1,039,255,420	14,653,663,278	–	–	–	–	–	–	–	–	15,692,918,698	–	15,692,918,698
Acquisition of new subsidiary	–	–	(3,038,511,149)	–	–	–	–	–	–	–	(3,038,511,149)	8,521,039,293	5,482,528,144
Deconsolidation of subsidiary (Note 6)	–	–	238,426,598	(18,948,731)	(302,448,293)	(62,407,141)	–	42,930,656	3,244,283,049	(3,505,355,000)	(105,173,085)	(8,841,126,356)	(9,204,645,218)
Dividend declaration (Note 40)	–	–	–	–	–	–	–	–	(38,823,264)	–	(38,823,264)	–	(38,823,264)
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	–	–	–	(112,979,166)	(112,979,166)
Appropriation of retained earnings	–	–	–	–	–	–	–	–	(1,200,000,000)	1,200,000,000	–	–	–
As at December 31, 2023	₱2,201,795,746	₱14,808,241,606	(₱868,077,102)	₱3,289,823,486	₱46,376,718	(₱47,667,218)	₱–	(₱18,380,972)	₱7,390,657,134	₱5,200,000,000	₱32,002,769,398	₱18,211,850,514	₱50,214,619,914
As at January 1, 2022	₱1,162,540,326	₱154,578,328	₱1,598,421,700	₱1,445,367,746	₱271,303,940	₱67,330,660	₱–	(₱101,768,611)	₱3,570,659,388	₱7,505,355,000	₱15,673,788,477	₱14,441,764,107	₱30,115,552,584
Net income	–	–	–	–	–	–	–	–	1,174,088,374	–	1,174,088,374	550,255,245	1,724,343,619
Other comprehensive income	–	–	–	883,594,568	80,797,577	43,669,863	–	87,706,244	–	–	1,095,768,252	581,539,770	1,677,308,022
Total comprehensive income	–	–	–	883,594,568	80,797,577	43,669,863	–	87,706,244	1,174,088,374	–	2,269,856,626	1,131,795,015	3,401,651,641
Movement in equity	–	–	–	(110,489,132)	–	–	–	–	199,655,100	–	89,165,968	(89,165,968)	–
Declaration of dividend by subsidiary	–	–	–	–	–	–	–	–	–	–	–	(485,316,910)	(485,316,910)
Movement in non-controlling interest	–	–	333,585,749	–	–	–	–	–	–	–	333,585,749	2,498,910,191	2,832,495,940
As at December 31, 2022	₱1,162,540,326	₱154,578,328	₱1,932,007,449	₱2,218,473,182	₱352,101,517	₱111,000,523	₱–	(₱14,062,367)	₱4,944,402,862	₱7,505,355,000	₱18,366,396,820	₱17,497,986,435	₱35,864,383,255

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in fair value through other comprehensive income investments	₱—	(₱213,650,000)	₱1,200,000
Changes in other noncurrent assets	(491,870,760)	(362,630,099)	(1,020,166,692)
Proceeds from sale of:			
Property and equipment (Note 20)	13,147,803	24,979,828	713,586,006
Investment properties (Note 19)	1,166,888	—	420,504
Financial assets at FVTPL, FVOCI and Amortized costs	2,751,998,137	—	—
Sale of controlling interest over EEI (Note 6)	—	(1,230,007,964)	—
Sale of investment in associate	337,378,019	1,075,555,630	—
Return of investments to ARCC	—	—	—
Dividends received	279,856,731	77,532,868	345,055,362
Acquisitions of:			
Computer software (Note 24)	(50,875,144)	(13,519,989)	(17,403,328)
Investments in associates and joint ventures	(174,432,352)	—	(47,761,482)
Financial assets at FVTPL, FVOCI and Amortized costs	(7,317,876,965)	—	—
Property and equipment	(1,976,865,511)	(1,780,281,531)	(856,119,690)
Investments properties (Note 19)	(145,556,063)	(2,737,129,912)	(6,155,975,000)
Net cash flows used in investing activities	(6,773,929,217)	(5,159,151,169)	(7,037,164,320)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash from new subsidiary consolidated under pooling of interest method	—	4,168,135,133	—
Net capital change related to share swap transaction	—	(42,177,463)	—
Cash dividends paid	(813,119,616)	(38,823,264)	(485,316,910)
Changes in non-controlling interests	—	—	3,015,301,881
Payment of lease	122,412,989	(149,706,182)	(107,531,867)
Receipts (disbursements) from related party transactions	71,378,235	42,810,910	(32,674,629)
Proceeds from:			
Loans payable	4,163,500,000	3,175,000,000	16,510,806,863
Long-term debt - net of transaction cost	6,065,000	2,138,533,920	2,419,177,388
Payments of:			
Loans payable (Note 26)	(2,499,642,021)	(4,020,857,979)	(14,000,276,041)
Long-term debt (Note 27)	(32,573,600)	(1,532,573,600)	(3,540,026,072)
Net cash flows provided by financing activities	1,018,020,987	3,740,341,475	3,779,460,613
EFFECTS OF EXCHANGE RATE CHANGES			
ON CASH AND CASH EQUIVALENTS	131,095,843	(3,458,049)	40,582,623
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	1,659,957,584	2,580,448	(2,426,018,716)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	6,633,047,805	6,630,467,357	9,056,486,073
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)			
	₱8,293,005,389	₱6,633,047,805	₱6,630,467,357

See accompanying Notes to Consolidated Financial Statements.



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Corporate Information

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

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

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

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

Authorization for Issuance of Consolidated Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors (BOD) on April 14, 2025.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

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

Statement of Compliance

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



Basis of Consolidation

The consolidated financial statements include the Parent Company and the following subsidiaries:

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership			
				2024	2023	2024	2023
				Direct	Indirect	Direct	Indirect
Investment Managers, Inc. (IMI)	Philippines	Insurance agent, financing, trading and real estate	Philippine Peso	100.00	—	100.00	—
Landev Corporation	Philippines	Property management	Philippine Peso	100.00	—	100.00	—
San Lorenzo Ruiz Investment Holdings and Services Inc. (SLRHSI)	Philippines	Holding company	Philippine Peso	60.00	—	60.00	—
ATYC, Inc. (ATYC)	Philippines	Property leasing	Philippine Peso	100.00	—	100.00	—
Xamdu Motors, Inc. (XMI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
Greyhounds Security and Investigation Agency Corp.	Philippines	Security agency	Philippine Peso	—	100.00	—	100.00
Hexagon Lounge, Inc.	Philippines	Restaurant	Philippine Peso	—	100.00	—	100.00
Secon Professional Security Training Academy Inc.	Philippines	Training service provider	Philippine Peso	—	100.00	—	100.00
HI Cars, Inc. (HCI)	Philippines	Car dealership	Philippine Peso	100.00	—	100.00	—
La Funeraria Paz Sucat, Inc. (LFPSI)	Philippines	Memorial services	Philippine Peso	50.00	13.00	50.00	13.00
EEl Corporation (EEI) ^(a)	Philippines	Construction	Philippine Peso	—	—	21.00	—
iPeople, inc. (IPO)	Philippines	Education and Information Technology	Philippine Peso	49.99	—	48.18	—
Malayan Education System, Inc. (MESI) (Operating Under the Name of Mapua University)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Malayan Colleges Laguna, Inc., A Mapua School (MCLI)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Malayan Colleges Mindanao (A Mapua School), Inc. (MCMI)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Malayan High School of Science, Inc. (MHSSI)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Mapua Information Technology Center, Inc. (MITC)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Mapua Techserv, Inc. (MTI)	Philippines	Consultancy	Philippine Peso	—	100.00	—	100.00
Mapua Techpower Inc.	Philippines	Consultancy	Philippine Peso	—	75.00	—	75.00
People eServe Corporation	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Pan Pacific Computer Center, Incorporated (PPCCI)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
Affordable Private Education Center, Inc doing business under the name of APEC Schools (APEC)	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
National Teachers College doing business under the name/s and style/s of The National Teachers College	Philippines	Education and Information Technology	Philippine Peso	—	99.79	—	99.79
University of Nueva Caceres	Philippines	Education and Information Technology	Philippine Peso	—	83.62	—	83.62
AC College of Enterprise and Technology, Inc	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
LINC Institute, Inc doing business under the Name and Style of LINC Academy	Philippines	Education and Information Technology	Philippine Peso	—	100.00	—	100.00
MICO Equities, Inc. (MEI) ^(b)	Philippines	Insurance	Philippine Peso	77.33	—	77.33	—
Sunlife Grepa Financial Inc. (SLGFI) ^(c)	Philippines	Insurance	Philippine Peso	51.00	—	51.00	—
Grepa Realty Holdings Corp. (GRHC) ^(c)	Philippines	Real estate	Philippine Peso	49.00	26.01	49.00	26.01
Tarlac Terra Ventures, Inc. ^(d)	Philippines	Real estate	Philippine Peso	100.00	—	100.00	—
RCBC Trust Corporation ^(e)	Philippines	Financial Services	Philippine Peso	40.00	—	40.00	—

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

(b) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with PMMIC, whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI. As of this date PMMIC owns 77.33% of MEI.



- (c) On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc, whereby the Parent Company will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and GRHC. As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.
- (d) On December 29, 2023, the Parent Company invested ₱800.0 million for a 100% stake in Tarlac Terra Ventures, Inc.
- (e) In April 2023, the Parent Company invested ₱40.0 million for a 40% stake in RBCB Trust Corporation.
- (f) On December 13, 2024, the Parent Company purchased 19,000,000 additional IPO shares, increasing its ownership from 48.18% to 49.99%.

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

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

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

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

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

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

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

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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Reclassifies to profit or loss, or transfer directly to retained earnings if required by other PFRSs, the amounts recognized in other comprehensive income in relation to the subsidiary; and



recognizes any resulting difference as a gain or loss in profit or loss attributable to the Parent Company

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

3. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

Standards Issued But Not Yet Effective

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

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

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



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

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

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

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

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

On December 15, 2021, the Financial and Sustainability Reporting Standards Council (FSRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the International Accounting Standards Board (IASB).

Further, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This is consistent with Circular Letter No. 2025-04 issued by the Insurance Commission (IC).

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

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

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

Deferred effectivity

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



4. Summary of Material Accounting Policy Information

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

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

'Day1' difference

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

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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



Financial assets at amortized cost (debt instruments)

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

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

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

The Group's financial assets at amortized cost includes Cash and cash equivalents, Receivables, Receivables from related parties, Loan receivable and under Other noncurrent asset account.

Financial assets at FVTPL

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

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

The Group does not have any debt financial assets at FVOCI as of December 31, 2024 and 2023.

Fair Value Measurement

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



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

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

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

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

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

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

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

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

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

Impairment of Financial Assets

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

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



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

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

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

Financial Liabilities

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

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

This category generally applies to the Group's Accounts payable and other current liabilities, Loans payable, Long-term debt, Due to related parties and Lease liabilities.

Derecognition of Financial Instruments

Financial assets

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

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



Financial liabilities

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

Revenue Recognition

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

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

(a) Revenues within the scope of PFRS 15

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

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

Revenue from sale of goods

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

Revenue from schools and related operations

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

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

Revenue from manpower services

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



Fee income

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

(b) Revenue outside the scope of PFRS 15

Premiums Revenue

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

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

Reinsurance Commissions

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

Onerous contracts

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

Contract balances arising from revenue with customer contracts

Receivables

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

Contract assets

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



Contract liabilities

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

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

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

Interest income on investment securities at amortized cost and FVOCI

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

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

Interest income on financial assets at FVTPL

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

Trading and securities gain (loss) - net

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

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

Expenses

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

Cost of sales and services

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



General and administrative expenses

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

Inventories

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

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

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

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

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

Prepaid Expenses

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

Creditable Withholding Tax (CWT)

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

Value-Added Tax (VAT)

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

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

Short-term Investments

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

Other Current Assets

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



Investments in Associates and Joint Ventures

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

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

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

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

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

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

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

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

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

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2024	2023
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC) ^(a)	Philippines	Renewable energy	Philippine peso	30.57	29.10

(Forward)



	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2024	2023
PetroGreen Energy Corporation (PGEC) ^(b)	Philippines	Renewable energy	Philippine peso	—	—
T'boli Agro-Industrial Development, Inc.	Philippines	Agriculture	Philippine peso	—	—
Manila Memorial Park Cemetery, Inc. (MMPC)	Philippines	Funeral service	Philippine peso	26.48	26.48
Sojitz G Auto Philippines Corporation (SGAPC)	Philippines	Automotive distributor	Philippine peso	20.00	20.00
RCBC Realty Corporation (RRC)	Philippines	Realty	Philippine peso	10.00	10.00
EEI Corporation ^(c)	Philippines	Construction	Philippine peso	—	21.00

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

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

(c) On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEI Corporation (EEI) for a consideration of P1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signifies loss of control over the subsidiary. This resulted to derecognition of EEI assets in the Group's financial statements. On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI which further reduced the holdings of the Parent Company to 21%.

Investment Properties

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

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

	Years
Building	32.5
Other equipment	12.5

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

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

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

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



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

Property and Equipment

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

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

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

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

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

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

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

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

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

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



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

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

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

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

Impairment of Nonfinancial Assets

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

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

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

Goodwill

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



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

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

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

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

Combination of Entities under Common Control

In 2023, the Group accounted for its share swap transaction as combination of entities under common control accounted for by applying the pooling-of-interests method. The pooling-of-interests method generally involved the following:

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

Intangible Assets Other Than Goodwill

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



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

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

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

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

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

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

Leases

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

Group as a lessee

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

Right-of-use assets

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

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

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



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

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

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

Sale and leaseback

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

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

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

Group as a lessor

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



Insurance Contract Liabilities

Life insurance contract liabilities

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

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

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

Insurance contracts with fixed and guaranteed terms

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

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

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

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

Unit-linked insurance contracts

The Group issues unit-linked insurance contracts. In addition to providing life insurance coverage, a unit-linked contract links payments to insurance investment funds set-up by the Parent Company with consideration received from the policyholders. As allowed by PFRS 4, the Parent Company chose not to unbundle the investment portion of its unit-linked products. Premiums received (including premium load and bid-offer spread) from the issuance of unit-linked insurance contracts are



recognized as premium revenue. Consideration received from policyholders that are transferred to the segregated funds is recognized as part of gross change in legal policy reserves in the statements of income.

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

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

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

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

Policy and contract claims payable

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

Provision for Claims Reported and Incurred But Not Reported (IBNR) Losses

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

Provision for Unearned Premiums

The proportion of written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired is deferred as provision for unearned premiums. This is accounted for as "Provision for unearned premiums" as part of "Insurance contract liabilities" and presented in the liabilities section of the statement of financial position. Premiums from short-duration insurance contracts are recognized as revenue over the period of the contracts



using the 24th method. The change in the provision for unearned premiums is taken to profit or loss in order that revenue is recognized over the period of risk. Further provisions are made to cover claims under unexpired insurance contracts which may exceed the unearned premiums and the premiums due in respect of these contracts.

Other insurance contract liabilities

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

Reinsurance

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

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

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

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

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

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

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

Deferred Acquisition Costs (DAC)

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



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

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

Foreign Currency-denominated Transaction and Translation

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

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

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

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

Retirement Cost

Defined benefit plan

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

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

Defined benefit costs comprise the following:

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



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

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

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

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

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

Income Tax

Current tax

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

Deferred tax

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

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

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



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

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

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

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

Basic and Diluted Earnings Per Share (EPS)

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

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

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

Provisions

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

Contingencies

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



Stock Option Plan

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

Segment Reporting

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

Capital Stock

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

Treasury Shares

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

Equity Reserve

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

Retained Earnings

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

Events After the Financial Reporting Date

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



5. Significant Accounting Judgments and Estimates

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

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

Judgment

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

The Parent Company has determined that it is still the largest stockholder of IPO with 48.18% equity interest and continues to have control over IPO by virtue of its power to nominate majority of the members of the BOD of IPO thereby exercising control and supervision on IPO's operations as well as financing activities. Accordingly, the Parent Company assessed that IPO continues to be a subsidiary even though it owns less than 50% equity interest over IPO after the merger.

Determination of functional currency

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

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

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

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

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

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



Recognition of schools and related operations fees over time

The Group determined that schools and related operations fees are to be recognized over time using the output method on the basis of time lapsed over the service period since it provides a faithful depiction of the Group's performance in transferring control of the services to the students. The fact that another entity would not need to re-perform the service that the Group has provided to date demonstrates that the customer or the student simultaneously receives and consumes the benefits of the Group's performance as it performs (Note 23).

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

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

As of December 31, 2024 and 2023, the Parent Company holds 10% of interest in RRC. The Parent Company exercises significant influence in RRC since the Parent Company's President is the concurrent president of RRC. The president is also a member of the BOD. As such, the president of the Parent Company effectively has a participation in the policy-making process of RRC. Hence, the Parent Company is able to exercise significant influence even if ownership is less than 20%.

Combination of Entities under Common Control

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

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

Assessment of joint control

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

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

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

Estimates

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



Leases - Estimating the incremental borrowing rate

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

The Group's lease liabilities amounted to ₱0.73 billion and ₱0.61 billion as of December 31, 2024 and 2023, respectively (see Note 22).

Estimating variable considerations arising from change orders and claims

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

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

Fair value measurement of unquoted equity investments at FVOCI

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

The fair value of unquoted equity investments amounted to ₱1.81 billion and ₱8.09 billion as of December 31, 2024 and 2023, respectively (see Note 16).

Provision for expected credit losses of trade receivables and contract assets

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and



forecast of economic conditions may also not be representative of customer's actual default in the future.

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

Valuation of land under revaluation basis

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

Land carried under revaluation basis amounted to ₱15.02 billion and ₱15.47 billion as of December 31, 2024 and 2023, respectively. The key assumptions used to determine the fair value of the parcels of land are disclosed in Note 20.

Impairment of nonfinancial assets

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

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

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

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

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

Estimation of retirement benefits

The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary increase rates which were disclosed in Note 35. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the retirement and other obligations.



Retirement assets amounted to ₱147.34 million and ₱21.30 million as of December 31, 2024 and 2023, respectively whereas retirement liabilities amounted to ₱847.99 million and ₱684.97 million as of December 31, 2024 and 2023, respectively (Note 35).

Realizability of deferred tax assets

The Group reviews the carrying amounts of deferred income taxes at each reporting date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Where there is no absolute assurance that each legal entity in the Group will generate sufficient taxable profit to allow all or part of its deferred tax assets to be utilized, deferred tax assets are not recognized.

Deferred tax assets recognized and unrecognized by the Group are disclosed in Note 36 to the consolidated financial statements.

Classification of CWT

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

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

Provisions and contingencies

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

6. Deconsolidation of a Subsidiary Arising from Loss of Control

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

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

Fair value of retained investment	₱2,209,143,065
Fair value of acquired net assets of EEI	
Contract assets	₱10,312,311,714
Accounts receivable	3,289,253,141
Cash and cash equivalents	2,480,007,964
Property and equipment	3,445,476,205
Other assets	13,838,548,131



Loans payable	(P4,600,000,000)	
Long-term debt	(5,508,339,253)	
Accounts payable and other expenses	(5,391,045,595)	
Other liabilities	(2,453,580,975)	
Fair value of net assets	15,412,631,332	
Less: Share of other shareholders	(12,116,252,849)	3,296,378,483
Gain on bargain purchase		<u>P1,087,235,418</u>

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

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

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

7. Deconsolidated Operations

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

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

	2023*	2022
<i>Deconsolidated Operations</i>		
Revenue	P5,181,488,858	P14,426,606,321
Costs of sales and services	4,423,634,707	12,477,715,872
Gross profit	757,854,151	1,948,890,449
General and administrative expenses	(450,994,039)	(1,638,885,873)
Equity in net earnings (loss) of associates and joint ventures	(366,256,080)	(105,851,646)
Interest and finance charges	(214,496,734)	(378,389,078)
Other income	26,190,109	410,838,000
Income (loss) from deconsolidated operations before income tax	(247,702,593)	236,601,852
Provision for income tax	46,754,695	69,812,427
Net income (loss)	(294,457,288)	166,789,425
Loss on deconsolidation	(945,354,003)	—
Bargain purchase on fair valuation	1,087,235,418	—



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

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

The related cash flows arising from deconsolidated operation follow:

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

Income (loss) per share from deconsolidated operation:

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

8. Cash and Cash Equivalents

This account consists of:

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

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

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



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

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

9. Receivables

This account consists of:

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

Trade receivables

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

Insurance receivables

This account consists of:

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



Premiums due and uncollected premiums arise from uncollected premiums on in-force policies which are collectible within the Group's grace period. Due from ceding companies are premiums receivable for assumed business from other insurance and reinsurance companies.

The amount of funds held by ceding companies is a percentage of the premiums, as stipulated in the treaty contracts. The reinsurance recoverable on paid losses is the amount recoverable from the reinsurers and retrocessionaires in respect of claims already paid by the Group.

The following table shows aging information of insurance receivables:

	December 31, 2024					Total
	< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	
Premiums due and uncollected	₱974,772,141	₱1,170,579,766	₱255,406,379	₱512,976,723	₱2,910,422,351	₱5,824,157,360
Due from ceding companies:						
Treaty	47,456,984	12,630,908	3,606,151	78,952,374	1,117,368,069	1,260,014,486
Facultative	19,980,712	15,450,850	11,347,570	4,278,072	92,267,943	143,325,147
Funds held by ceding companies – treaty	22,700,312	79,269	381,261	196,171,785	185,388,256	404,720,883
Reinsurance recoverable on paid losses	–	10,792,195	12,112,595	25,938,167	416,367,293	465,210,250
Total	₱1,064,910,149	₱1,209,532,988	₱282,853,956	₱818,317,121	₱4,721,813,912	₱8,097,428,126

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

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

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

	Due from policyholders, agents and brokers	Due from ceding companies - facultative	Due from ceding companies - treaty	Funds held by ceding companies	Reinsurance recoverable on paid losses	Total
Balance at beginning of year	₱106,000,597	₱4,371,936	₱3,033,612	₱544,720	₱16,437,195	₱130,388,060
Impairment loss - net of reversals (Note 22)	44,118,290	–	–	–	–	44,118,290
Write-off	(79,534,884)	–	(41,491)	–	–	(79,576,375)
Balance at end of year	₱70,584,003	₱4,371,936	₱2,992,121	₱544,720	₱16,437,195	₱94,929,975
Individually impaired	9,939,525	–	–	–	–	9,939,525
Collectively impaired	60,644,478	4,371,936	2,992,121	544,720	16,437,195	84,990,450
Total	₱70,584,003	₱4,371,936	₱2,992,121	₱544,720	₱16,437,195	₱94,929,975



Receivables from education

Receivables from education represent amounts arising from tuition and other matriculation fees which are normally collected at end of every school term before the students can proceed to the next term. This also includes receivable from Department of Education amounting to ₱161.70 million and ₱240.60 million as at December 31, 2024 and 2023, respectively, arising from the Senior High School (SHS) Voucher Program wherein qualified SHS students are given assistance on tuition fees. These receivables are noninterest-bearing and are generally collectible within one year.

Receivables from car dealership / automotive

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

Receivables from other services

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

No trade receivables were used as collaterals to secure obligations as of December 31, 2024 and 2023.

Other Receivables

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

Receivable from customers

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

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

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

	2024					
	Financial Services	Car Dealership	Education *	Other Services	Other Receivables	Total
Balance at beginning of year	–	₱23,912,334	₱384,531,396	₱11,246,576	₱56,144,487	₱475,834,793
Provisions – net of recoveries (Note 33)	10,253,406	2,022,518	50,539,178	–	–	62,815,101
Write-offs	(3,709,165)	(22,495,476)	(12,000)	–	(1,897,784)	(28,114,425)
Effect of common control business combination	96,914,417	–	–	–	–	96,914,417
Effect of deconsolidation of a subsidiary	–	–	–	–	–	–
Balance at end of year	₱103,458,658	₱3,439,376	₱435,058,574	₱11,246,576	₱54,246,703	₱607,449,886

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

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

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



10. Contract Assets and Liabilities

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

Contract Liabilities

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

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

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

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

11. Segregated funds

Segregated fund assets

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

This account consists of the following:

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



Variable-unit linked (VUL) fund

This fund consists of:

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

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

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

The following are the internal investment funds:

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



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

	2024												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Bond Fund	₱13,271,220	₱417,711,953	₱6,505,617	₱11,483,102	₱98,116,672	—	₱935,339	₱42,418	₱7,939,879	(₱2,191,200)	₱553,815,000	(₱2,057,101)	₱551,757,899
Balanced Fund	31,849,753	459,653,976	748,635,686	18,992,545	132,926,376	—	4,223,435	70,426	10,251,636	(1,680,000)	1,404,923,833	(5,356,801)	1,399,567,032
Equity Fund	47,797,035	—	1,221,323,094	—	—	—	2,282,551	2,467,857	563,211	(1,706,700)	1,272,727,048	(2,224,205)	1,270,502,843
Growth Fund	36,733,388	—	884,185,603	—	—	—	(202,289)	2,298,898	416,839	(1,682,850)	921,749,589	(1,628,411)	920,121,178
Opportunity Fund	27,617,620	741,070,381	1,364,793,658	96,546,401	278,997,081	—	10,510,251	(289,183)	21,046,841	(1,750,500)	2,538,542,550	(7,233,571)	2,531,308,979
Income Fund	17,209,946	535,424,785	3,829,326	53,520,938	140,261,365	—	(1,061)	176,671	11,651,454	(2,318,250)	759,755,174	(2,902,875)	756,852,299
Dynamic	16,775,351	442,037,188	589,693,857	—	—	—	(935)	—	6,355,045	(8,912,000)	1,045,948,506	(3,053,579)	1,042,894,927
Index	46,914,237	—	4,985,274,895	—	—	—	7,489,495	—	2,453,982	(7,800,000)	5,034,332,609	(31,367,664)	5,002,964,945
Captains	25,443,554	—	1,502,842,476	—	—	—	3,544,502	—	2,385,913	(8,859,000)	1,525,357,445	(2,623,510)	1,522,733,935
Money Market	1,295,096	—	29,861,682	—	—	—	4,319	—	85	(11,080,000)	20,081,182	(13,338)	20,067,844
My Future 2025	15,971,538	388,128,909	25,006,245	—	—	—	(173,255)	—	6,400,626	(1,542,300)	433,791,763	(2,024,705)	431,767,058
My Future 2030	7,862,134	113,442,948	57,511,242	—	—	—	226,842	—	2,153,270	(9,332,000)	171,864,436	(741,761)	171,122,675
My Future 2035	122,760	25,883,073	52,791,137	—	—	—	119,154	—	357,542	(8,877,000)	70,396,666	(210,010)	70,186,656
My Future 2040	338,662	19,064,702	72,284,585	—	—	—	63,995	—	367,450	(8,870,000)	83,249,394	(232,615)	83,016,779
Growth Plus Fund	38,369,649	—	6,567,172,968	—	—	—	2,965,433	—	1,866,323	(10,288,000)	6,600,086,373	(11,516,834)	6,588,569,539
MyFuture 2045	431,846	8,845,016	40,235,127	—	—	—	(61,138)	—	213,282	(48,455,000)	1,209,133	(131,880)	1,077,253
MyFuture 2050	423,581	7,541,987	41,094,386	—	—	—	—	—	194,839	(48,305,000)	949,793	(128,597)	821,196
MyFuture 2055	565,119	7,787,582	41,544,775	—	—	—	(412)	—	200,137	(48,325,000)	1,772,201	(129,715)	1,642,486
Global Opportunity	26,481,656	—	1,977,405,058	—	—	—	(13,798)	—	—	(38,672,275)	1,965,200,641	(3,573,654)	1,961,626,987
Global Income	14,481,836	16,086,138	625,214,793	—	—	—	(5,605)	—	83,518	(24,673,785)	631,186,895	(1,503,031)	629,683,864
Global Growth Fund	29,156,912	—	1,913,248,336	—	—	—	569,987	—	—	(40,621,651)	1,902,353,584	(3,886,901)	1,898,466,683
Global Asset Builder - PriMO	—	—	—	—	—	738,195,851	(5,744,587)	—	—	—	732,451,264	—	732,451,264
Peso Asset Builder - PriMO	—	—	—	—	—	357,739,200	(477,750)	—	—	—	357,261,450	—	357,261,450
Dollar Money Market	1,966,432	—	38,232,287	—	—	—	(149)	—	—	(30,733,049)	9,448,521	(17,172)	9,448,349
Opportunity Tracker	8,209,384	133,864,633	187,233,236	—	—	—	1,312,228	—	1,663,050	(1,585,200)	330,697,331	(893,473)	329,803,858
Peso Global Growth	23,995,774	—	283,217,990	—	—	—	75,632	—	—	(29,170,000)	278,119,396	(20,340,710)	257,778,686
Peso Global Income	1,072,213	956,169	36,902,279	—	—	—	43,442	—	5,063	(23,607,500)	15,371,666	(94,666)	15,277,000
Peso Global Opportunity	3,169,179	1,020,034	113,777,816	—	—	—	54,353	—	13,864	(27,765,000)	90,270,246	(232,797)	90,037,449
Global Opportunity Payout	30,686,300	—	2,309,564,056	—	—	—	33,998,997	—	1,836,534	(25,547,244)	2,350,538,643	(4,131,919)	2,346,406,724
Peso Global Opportunity Payout	19,861,387	—	372,488,083	—	—	—	70,617	—	310,633	(26,365,000)	366,365,720	(703,663)	365,662,057
Peso Global Sustainability Growth Fund	1,621,375	—	39,589,656	—	—	—	99,586	—	—	(30,165,000)	11,145,617	(77,518)	11,068,099
Peso Asset Builder - Hybrid Income	—	—	—	—	—	2,300,825,450	85,300	—	—	(979,700)	2,299,931,050	—	2,299,931,050
Peso Asset Builder - Hybrid Income 2	—	—	—	—	—	1,174,635,300	178,050	—	—	(984,400)	1,173,828,950	—	1,173,828,950
Peso Asset Builder - Hybrid Income 3	—	—	—	—	—	829,124,280	98,750	—	—	(980,400)	828,242,630	—	828,242,630
Global Asset Builder - ProIncome	—	—	—	—	—	923,268,383	—	—	—	(1,102,410)	922,165,973	—	922,165,973
Global Asset Builder - ProIncome 3	—	—	—	—	—	249,774,941	(233,752)	—	—	(1,137,927)	248,403,262	—	248,403,262
Peso Asset Builder - ProIncome	—	—	—	—	—	708,168,000	3,550	—	—	(885,200)	707,286,350	—	707,286,350
Global Asset Builder - ProIncome 2	—	—	—	—	—	471,208,262	(224,149)	—	—	(1,142,323)	469,841,790	—	469,841,790
Peso Asset Builder - ProIncome 2	—	—	—	—	—	692,298,440	(2,046,166)	—	—	(901,900)	689,350,374	—	689,350,374
Peso Asset Builder - ProIncome 3	—	—	—	—	—	612,351,600	(493,300)	—	—	(910,500)	610,947,800	—	610,947,800

(Forward)



	2024												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Peso Asset Builder - ProIncome 5	₱-	₱-	₱-	₱-	₱-	₱542,789,840	(₱3,326,739)	₱-	₱-	(₱906,100)	₱538,557,001	₱-	₱538,557,001
Peso Asset Builder - ProIncome 4	-	-	-	-	-	541,776,000	(5,357,920)	-	-	(902,900)	535,515,180	-	535,515,180
Peso Global Tech Payout	36,910,728	-	421,540,879	-	-	-	46,416,498	-	-	(1,053,700)	503,814,405	(584,593)	503,229,812
Peso Global Tech Growth	2,994,060	-	22,941,622	-	-	-	1,180,616	-	-	(1,053,700)	26,062,598	(35,533)	26,027,065
Global Asset Builder - ProIncome 4	-	-	-	-	-	467,897,909	(4,822,931)	-	-	(1,060,993)	462,013,985	-	462,013,985
Peso Asset Builder - ProIncome 6	-	-	-	-	-	780,174,000	(24,026,400)	-	-	(974,000)	755,173,600	-	755,173,600
	₱529,599,725	₱3,318,519,474	₱26,575,942,450	₱180,542,986	₱650,301,494	₱11,390,227,456	₱69,340,586	₱4,767,087	₱78,731,016	(₱545,856,657)	₱42,252,115,617	(₱109,652,802)	₱42,142,462,815

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

(Forward)



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



Cash and cash equivalents

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

Government debt securities

Government securities pertain to peso denominated bonds with interest rates ranging from 2.375% to 9.25% and 2.375% to 8.75% in 2024 and 2023, respectively.

Equity securities

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

Corporate loans

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

Private peso and dollar bonds

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

Structured notes

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

Subscriptions receivable/payable

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

Investment receivable

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

Accrued income

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

Accounts payable and accrued expenses

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

Seed capital

Seed capital is the initial funding that allows ETFs to launch and become available to investors.

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

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



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

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

1. Sun Grepa Peso Asset Builder - PriMO

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

Option Value	0.00%
Fixed Income Value	95.55%

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

2. Sun Grepa Global Asset Builder - PriMO

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

Option Value	0.00%
Fixed Income Value	94.30%

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



3. Sun Grepa Peso Asset Builder – Hybrid Income 1

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

Fixed Income Value 97.97%

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

4. Sun Grepa Peso Asset Builder – Hybrid Income 2

Bloomberg ISIN	XS2617537233	
Maturity	27-Oct-30	
Valuation Date	30-Dec-24	
Note Provider	Nomura	
Remaining Time to Maturity	4.77	<i>Duration since bond is not zero coupon</i>
Bloomberg ISIN	XS2617537233	

Fixed Income Value 98.44%

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

5. Sun Grepa Peso Asset Builder – Hybrid Income 3

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

Coupon 7.20%
Fixed Income Value 98.04%

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



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

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

Coupon 6.90%
Fixed Income Value 97.40%

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

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

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

Coupon 6.80%
Fixed Income Value 97.40%

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

8. Sun Grepa Global Asset Builder (ProIncome 3)

Bloomberg ISIN XS2762770225
Maturity 30-May-31
Valuation Date 30-Dec-24
Note Provider Nomura
Remaining Time to Maturity 5.18 *Duration since bond is not zero coupon*

Coupon 6.80
Fixed Income Value 98.36%

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



9. Sun Grepa Peso Asset Builder (ProIncome)

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

Fixed Income Value 88.67%

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

10. Sun Grepa Peso Asset Builder (ProIncome)

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

Fixed Income Value 89.51%

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

11. Sun Grepa Peso Asset Builder (ProIncome)

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

Fixed Income Value 90.01%

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



12. Sun Grepa Peso Asset Builder (ProIncome)

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

Fixed Income Value 89.03%

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

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470	
Maturity	6-Sep-31	
Valuation Date	30-Dec-24	
Note Provider	ING	
Remaining Time to Maturity	5.36	<i>Duration since bond is not zero coupon</i>
Coupon	7.10	

Fixed Income Value 90.02%

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

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

1. Sun Grepa Global Asset Builder - PriMO

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

Option Value 2.20%
Fixed Income Value 89.30%

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



2. Sun Grepa Peso Asset Builder - PriMO

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

Option Value	1.90%
Fixed Income Value	92.60%

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

3. Sun Grepa Peso Asset Builder – Hybrid Income 1

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

Coupon	7.10%
Fixed Income Value	96.29%

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

4. Sun Grepa Peso Asset Builder – Hybrid Income 2

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

Coupon	7.15%
Fixed Income Value	97.05%

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



5. Sun Grepa Peso Asset Builder – Hybrid Income 3

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

Coupon	7.20%
Fixed Income Value	96.99%

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

6. Sun Grepa Global Asset Builder – (ProIncome)

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

Coupon	6.90%
Fixed Income Value	97.40%

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

Segregated fund liabilities

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

12. Reinsurance Assets

This account consists of:

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

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

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



13. Inventories

This account consists of:

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

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

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

The Group recognizes inventory write-down whenever the net realizable value (NRV) of the existing inventories is lower than its cost.

The cost of inventories with allowance for inventory obsolescence amounted to ₱68.56 million and ₱35.97 million as of December 31, 2024 and 2023, respectively.

The rollforward of allowance for inventory obsolescence is as follows:

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

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

14. Loans Receivable

This account consists of:

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



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

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

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

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

15. Prepaid Expenses and Other Current Assets

This account consists of:

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

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

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

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

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

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



Others include various deposits and other supplies, among others.

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

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

	2023			
	Miscellaneous deposits	Advances to officers and employees	Advances to suppliers and subcontractors	Total
Balance at beginning of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197
Provisions for ECL	—	—	—	—
Balance at end of year	₱41,265,425	₱1,035,813	₱13,093,959	₱55,395,197

16. Financial Assets

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

This account consists of:

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

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

The rollforward of financial assets at FVTPL is as follows:

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



The calculated range of fair values are based on the following combination of inputs/ methodologies:

- Underlying index's volatility
- Reference entity's credit risk
- Discount rate

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

This account consists of:

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

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

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

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

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

C. Investment securities at amortized cost

This account consists of:

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



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

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

17. Assets Held for Sale

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

18. Investments in Associates and Joint Ventures

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

	Place of Incorporation	Nature of Business	Functional Currency	Percentage of Ownership	
				2024	2023
Associates:					
Hi-Eisai Pharmaceutical, Inc. (HEPI)	Philippines	Pharmaceutical	Philippine peso	50.00	50.00
Petroenergy Resources Corporation (PERC) *	Philippines	Renewable energy	Philippine peso	30.57	29.10
Manila Memorial Park Cemetery, Inc. (MMPC)	Philippines	Funeral service	Philippine peso	26.48	26.48
Sojitz G Auto Philippines Corporation (SGAPC)	Philippines	Automotive distributor	Philippine peso	20.00	20.00
RCBC Realty Corporation (RRC)	Philippines	Realty	Philippine peso	10.00	10.00
EEI Corporation	Philippines	Construction	Philippine peso	–	21.00
Joint ventures:					
PetroWind Energy, Inc. (PWEI)**	Philippines	Renewable energy	Philippine peso	20.00	20.00
Shinbayanihan Heavy Equipment Corporation (SHEC)**	Philippines	Equipment rental	Philippine peso	40.00	40.00
BEO Distribution and Marketing Corporation (BEO DMC)**	Philippines	Distribution and marketing	Philippine peso	30.00	30.00
Shimizu-Fujita-Takenaka-EEI Joint Venture (SFTE)**	Philippines	Construction	Philippine peso	5.00	5.00
Acciona-EEI Joint Venture (AE)**	Philippines	Construction	Philippine peso	30.00	30.00
LOTTE-GULERMAK-EEI Joint** Venture (LGE)	Philippines	Construction	Philippine peso	25.00	25.00

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

** This investment is part of the EEI Group, which was deconsolidated in 2023 and reclassified as an equity investment at fair value through other comprehensive income (FVOCI) in 2024.



The rollforward analysis of this account follows:

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

EEI

As disclosed on Note 6, the Parent Company sold 20% investment holdings in EEI resulting to loss of control over the subsidiary. The remaining investment of 35.34% was accounted for as an investment in associate. Subsequently, on May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI. Proceed from the sale amounted to ₱1.08 billion. The sale which reduced the Parent Company's holdings of EEI to 21% is accounted as disposal of investment in an associate. The Parent Company recognized gain from sale amounting to ₱0.58 billion.

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

RRC

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



PERC

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

Its share price amounted to ₱4.95 and ₱4.80 per share as of December 31, 2024 and 2023, respectively.

MMPC

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

SGAPC

On November 8, 2019, the Parent Company purchased 2,500,000 shares of SGAPC from Sojitz Corporation amounting to ₱50.00 million or equivalent to 20.00% ownership equity.

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

As of December 31, 2024 and 2023, no investments in associates were pledged as security to obligations.



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

(Amounts in millions)

	2024				
Acquisition cost:	HEPI	MMP	RRC	SGAP	PERC
Balance, January 1	24	120	1,018	50	889
Additions	—	—	—	140	34
Impairment	—	—	—	—	—
Deconsolidation	—	—	—	—	—
Balance, December 31	24	120	1,018	190	923
Accumulated equity in net earnings (losses):					
Balance, January 1	193	835	512	(44)	936
Equity in net earnings (losses)	32	107	87	(146)	2
Deconsolidation	—	—	—	—	—
Dividends declared	(25)	(19)	(30)	—	(9)
Balance, December 31	200	923	569	(190)	929
Subtotal	224	1,042	1,587	—	1,852
Accumulated share in other comprehensive income:					
Balance, January 1	—	—	—	—	1
Deconsolidation	—	—	—	—	—
Share in other comprehensive income (loss)	—	—	1	—	(7)
Balance, December 31	—	—	1	—	(6)
Equity in cumulative translation adjustments	—	—	—	—	35
	224	1,042	1,858	—	1,881

	2024				
	HEPI	MMP	RRC	SGAP	PERC
Net asset before adjustments	447	3,658	3,616	(339)	14,060
Adjustments	2	277	11,648	339	(8,001)
Net assets	449	3,935	15,264	0	6,059
Proportionate ownership in the associate	50%	26%	10%	20%	31%
Share in net identifiable assets	225	1,023	1,526	0	1,878
Carrying value	P225	P1,023	P1,526	P0	P1,878



(Amounts in millions)

2023

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

2023

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



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

2024					
	RRC	PERC	HEPI	MMPC	SGAPC
Current assets	₱762	₱4,598	₱835	₱2,609	₱132
Noncurrent assets	5,862	18,762	59	2,636	35
Total assets	₱6,624	₱23,360	₱894	₱5,245	₱167
Current liabilities	₱1,267	₱2,233	₱446	₱1,180	₱506
Noncurrent liabilities	1,751	7,510	—	472	—
Total liabilities	₱3,018	₱9,743	₱446	₱1,652	₱506
Revenues	₱2,085	₱3,447	₱696	₱919	₱2,317
Cost	—	(1,809)	(197)	(104)	(2,359)
Gross margin	2,085	1,638	499	815	(42)
Selling and administrative, and other expenses	(1,031)	(645)	(403)	(330)	(540)
Pre-tax income (loss)	₱1,054	₱993	₱96	₱485	(₱582)
Proportionate ownership in the associate	10%	30.57%	50%	26%	20%
Share in pre-tax income (loss)	105	321	9	122	210
Income tax (benefit)	(188)	(104)	(30)	(57)	(104)
Non-controlling interest	—	(402)	—	—	—
Equity in net earnings (losses)	₱87	₱163	₱32	₱107	(₱146)
Dividends received	₱30	₱9	₱25	₱19	₱—

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



Other relevant financial information of HEPI are as follows:

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

**Excluding trade and other payables and provisions*

Other relevant financial information of RRC are as follows:

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

**Excluding trade and other payables and provisions*

Other relevant financial information of PERC are as follows:

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

**Excluding trade and other payables and provisions*

Other relevant financial information of MMPC are as follows:

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

**Excluding trade and other payables and provisions*



Other relevant financial information of SGAPC are as follows:

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

*Excluding trade and other payables and provisions

19. Investment Properties

The rollforward analysis of this account follows:

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

Properties classified as investment properties include the following:

- Parcel of land located in Makati owned by SLRHSI with the carrying value of ₱2,673.17 million.
- Parcel of land, building and building improvements in Quezon City with the carrying value of ₱1,601.01 million.
- Heritage lots held for capital appreciation of the Parent Company amounted to ₱0.66 million.
- Parcel of land, building, building improvements and machinery and equipment situated in Taguig City owned by ATYC with carrying value of ₱6,132.04 million.
- Parcel of land located in Tarlac with carrying value of ₱2,673.17 million acquired by the Group in 2023. The acquisition includes cash paid in 2023 amounting to ₱534.63 million and the balance for installment payment and is treated as noncash investing activity in the 2023 consolidated statement of cashflow. As of December 31, the installment payable is consist of the following:

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



As of December 31, 2023, the aggregate fair values of land amounted to ₱20.63 billion, which was determined based on valuation performed by an independent SEC accredited appraiser in 2023. The fair value of the land was determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, and shape (Level 3 – Significant unobservable inputs).

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

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

20. Property and Equipment

Property and equipment at revalued amount

Movements in the revalued land are as follows:

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

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

As of December 31, 2024 and 2023, the appraised values of the parcels of land were determined using the market approach which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets and adjusted to reflect differences on size, shape and terrain and location among others. The significant unobservable valuation input is price per square meter (level 3 – Significant unobservable inputs). The parcels of land were valued in terms of their highest and best use. The valuation was performed by an independent SEC-accredited appraiser as of December 31, 2023.

In 2024, 2023 and 2022, the Group revalued its land based on the appraisals made by SEC accredited appraisers. As of December 31, 2024 and 2023, the cost of the parcels of land carried at revalued amounts amounted to ₱4,284 million and ₱5,551 million, respectively.



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

Location	Valuation Techniques	Unobservable Inputs Used	Range (Weighted Average)	
			2024	2023
Quezon and Panay Avenue, Quezon City*	Market Approach	Price per square meter	—	P220,000 to P250,000
			P132,098 to	P130,050 to
Makati and Intramuros, Manila	Market Approach	Price per square meter	P261,630	P235,715
			P15,000 to	P8,507 to
Cabuyao, Laguna	Market Approach	Price per square meter	P17,700	P16,335
			P40,950 to	P41,535 to
Davao City, Davao Del Sur	Market Approach	Price per square meter	P63,000	P49,140
			P132,300 to	P126,000 to
Pandacan, Metro Manila	Market Approach	Price per square meter	P156,400	P151,200
			P57,915 to	P56,012 to
San Jose Del Monte City, Bulacan	Market Approach	Price per square meter	P61,506	P60,493
			P25,175 to	P27,075 to
Naga City, Camarines Sur	Market Approach	Price per square meter	P47,500	P28,500
			P211,500 to	P206,900 to
Quiapo, Manila	Market Approach	Price per square meter	P261,000	P300,200
Barangay Tuding, Itogon, Benguet	Market Approach	Price per square meter	—	—
Barangay Biga I, Silang, Province of Cavite	Market Approach	Price per square meter	—	—

*This was reclassified to investment property in 2024.

Adjustment factors arising from external and internal factors (i.e., location, size, and road frontage) affecting the subject properties as compared to the market listing of comparable properties, ranges from -30% to +15% in 2024 and 2023.

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

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

Property and equipment at cost

The rollforward analysis of this account follows:

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



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

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

	2023					
	Buildings and Improvements	Machinery, Tools and Construction Equipment	Transportation and Service Equipment	Furniture, Fixtures, and Office Equipment	Construction in Progress	Total
Cost						
Balance at beginning of year	₱5,462,001,151	₱5,283,860,417	₱1,270,060,624	₱3,505,305,266	₱1,783,218,129	₱17,304,445,587
Acquisitions	147,238,199	1,422,868	24,715,567	270,019,292	1,336,885,605	1,780,281,531
Disposals/Retirements	—	—	(10,197,657)	(609,513)	—	(10,807,170)
Reclassifications	17,671,000	—	—	45,000	(18,476,000)	(760,000)
Effect of common control business combination	773,198,036	—	274,318,479	1,205,500,762	182,143	2,253,199,420
Effect of deconsolidation of a subsidiary	(592,720,907)	(3,415,648,761)	(917,486,167)	(355,135,894)	(1,277,242,535)	(6,558,234,264)
Balance at end of year	5,807,387,479	1,869,634,524	641,410,846	4,625,124,913	1,824,567,342	14,768,125,104
Accumulated Depreciation and Amortization						
Balance at beginning of year	2,711,332,333	3,290,410,922	1,056,434,915	3,020,455,965	—	10,078,634,135
Depreciation and amortization (Note 34)	337,633,776	649,367	20,779,756	233,471,682	—	592,534,581
Disposals/retirements	—	—	(7,840,966)	(948,460)	—	(8,789,426)
Transfers	879,000	—	(179,267)	(45,001,213)	—	(44,301,480)

(Forward)



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

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

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

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

Gain on sale of property and equipment follows:

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

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

21. Deferred Acquisition Costs - net

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

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



22. Leases

Group as a lessor

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

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

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

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

Group as a lessee

The Group has lease contracts for various items of land, improvements, office spaces, warehouses, school sites and annexes and other equipment used in its operations, among others. Leases of land, improvements and school sites generally have lease terms between 2 and 66 years, while other equipment generally have lease terms between 1 and 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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



- f. In June 2020, the EEI Group entered into a lease of parcel of land for a period of fourteen (14) months commencing on July 1, 2020 and expiring on August 31, 2021. The said lease is no longer renewed.
- g. In December 2022, the EEI Group entered into a lease contract with EEI-RFI for the lease of land and improvements where its fabricated shop is located. The lease is for a term of 5 years with annual escalation of 5%.
- h. IPO leases building spaces for office and school sites and annexes from third-party lessors for a period ranging from one to ten years. The Group applies the 'short-term lease' recognition exemption for those leases with lease term of one year or less.
- i. Landev Corporation entered into lease agreements that are renewable upon mutual agreement of Landev Corporation and the lessors:

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

*subject to 5% annual escalation rate

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

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

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

- j. The Greyhounds Security and Investigation Agency Corporation entered into an agreement with Grepa Realty Holdings Corporation for the lease of office space. The lease is renewable annually upon mutual agreement by both parties. Rent expense recognized in 2024, 2023 and 2022 amounted to ₱0.81 million, ₱0.64 million and ₱0.69 million respectively.
- k. In 2011, IMI entered into lease agreements with Mapua Information Technology Centers, Inc., Malayan Colleges, Inc. and Malayan High School of Science for canteen spaces. In 2016, the Company started to lease a canteen space from Malayan Colleges Laguna, Inc. In 2022, another canteen space started to lease from Malayan Colleges Mindanao. The Company subleases its leased canteen spaces from the aforementioned related parties to third-party lessees for a period ranging from six (6) months to one (1) year. These sublease agreements are renewable based on mutual agreement of both parties.
- l. Hexagon Lounge, Inc. entered into a lease agreement for the lounge and office space it occupies. The lease is renewable annually as may be mutually agreed upon by the parties with monthly minimum lease payments of ₱10,000 or 2% of net restaurant sales, whichever is higher.
- m. SLGFI has lease contracts for its branch office premises for a period of 3 years renewable by mutual agreement of the parties at the end of term of the lease.



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

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

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

In 2023, the carrying amounts of leased land, land improvements and sites, building, office spaces and warehouses and other equipment are ₱335.01 million, ₱140.93 million and ₱10.01 million, respectively.

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

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

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

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

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



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

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

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

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

23. Goodwill

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

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

Goodwill of EEI and IPO

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

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

In 2024 and 2023, management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.



Sensitivity to changes in assumptions

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

Goodwill of MESI

The goodwill recognized in the consolidated statement of financial position amounting ₱137.85 million as at December 31, 2024 and 2023 pertains to the excess of the acquisition cost over the fair values of the net assets of MESI acquired by the Group through IPO in 1999.

In 2024 and 2023, Management assessed that the recoverable amount of the goodwill balances exceeds their carrying values, thus, no impairment loss should be recognized.

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

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

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

As at December 31, 2024 and 2023, the recoverable amount of the CGU has been determined based on a VIU calculation using five-year cash flow projections. Key assumptions in the VIU calculation of the CGU are most sensitive to the following:

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

Sensitivity to changes in assumptions

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

Goodwill arising from Business Combination

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

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



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

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

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

Intellectual Property Rights

As of December 31, 2024 and 2023, the Group performed impairment testing on intellectual property rights using the income approach (royalty relief method) wherein recoverable value is computed based on royalty savings. Key assumptions used are as follows:

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

The Group's impairment testing resulted to the recognition of ₱32.8 million and ₱32.2 million impairment loss on intellectual property rights of APEC in 2024 and 2023, respectively (nil in 2021). The carrying value of intellectual property rights as of December 31, 2024 and 2023 amounted to ₱447.7 million and ₱458.1 million, respectively (Note 24).

Student Relationship

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

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

Amortization amounted to ₱3.1 million in 2023, ₱4.7 million in 2023 and ₱33.0 million 2022. In 2021, the Group recognized ₱12.8 million impairment loss on APEC student relationship because the remaining students from the time of the merger in 2019 significantly declined as of December 31, 2021 due to the impact of coronavirus pandemic.

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



24. Other Noncurrent Assets

This account consists of:

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

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

Miscellaneous deposits include rental and security deposits.

Rollforward of computer software follows:

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

25. Accounts Payable and Other Current Liabilities

This account consists of:

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

(Forward)



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

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

Accrued expenses consist of:

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

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

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

26. Loans Payable

The Group availed loans from local banks. These loans are uncollateralized and short-term in nature. These loans have terms up to 1 year and bears interest ranging from 5.50% to 7.65%.

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

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



Interest expense incurred on these loans follows:

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

27. Long-term Debt

Movements in the account follow:

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

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

IPO

Unsecured

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

The loan is subject to certain covenants including maintaining a maximum debt-to-equity structure ratio (D:E ratio) of 3:1. As of December 31, 2024 and 2023, NTC has complied with its covenant obligations, including maintaining the required D:E ratio.

Secured

ATYC

On September 29, 2022, ATYC received ₱2.4 billion proceeds from the issuance of promissory note to RCBC that bears annual interest of 6.04%. The promissory note matures within three (3) years from the date of issuance.

Interest expense incurred on these loans follows:

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



The aforementioned loans require the Group to maintain certain financial ratios such as debt to equity ratio, current ratio and debt service coverage ratio calculated based on stipulation with the lender banks. As of December 31, 2024 and 2023, the Group was in compliance with all other loan covenants.

28. Insurance Contract Liabilities

This account consists of:

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

Claims reported and IBNR

This account consists of:

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

Provision for unearned premiums

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

Legal policy reserves - net

This account consists of:

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

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



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

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

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

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

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

Policy and contract claims payable

This account consists of:

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

The rollforward analyses of policy and contract claims payable follow:

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

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

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



Policyholders' dividends

The movements in this account follow:

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

Policyholders' dividends pertain to due and unpaid dividends on participating policies which are in-force for three (3) or more years. Policyholders are given an option to deposit the dividends with the Group to accumulate and earn interest. Interest expense on policyholders' dividends amounted to ₱9.80 million and ₱8.74 million in 2024 and 2023, respectively.

Premium deposit fund

This account pertains to funds held for policyholders which bear interest at annual rates ranging from 2.00% to 6.00% in 2024 and 2023. Interest expense of the Group related to premium deposit fund amounted to ₱14.18 million and ₱14.17 million in 2024 and 2023, respectively.

Insurance payables

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

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

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

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

29. Related Party Transactions

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

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



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

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

(Forward)



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

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

Remuneration of key management personnel

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

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

Terms and conditions of transactions with related parties

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

Identification, review and approval of related party transactions

Material related party transactions (MRPT) refers to any related party transactions, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements.



All material related party transactions shall be reviewed by the Group's Corporate Governance Committee and approved by the BOD with at least 2/3 votes of BOD, with at least a majority vote of the independent directors. In case that the vote of a majority of the independent directors is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock.

30. Revenue from Contracts with Customers

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

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

Disaggregated Revenue Information

Disaggregation of Revenue from sale of services:

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

Revenue from financial services in 2024 consist of:

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

Insurance premiums – life, net in 2024 consist of:

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



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

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

Investment and other income, net in 2024 consist of:

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

Fee income in 2024 consist of

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

Disaggregation of Revenue from sale of goods:

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

Disaggregation of Revenue from school and related operations:

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



31. Cost of Sales and Services

This account consists of:

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

Disaggregation of Costs from sale of merchandise:

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

Disaggregation of Costs from sale of services:

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

Costs of financial services in 2024 consists of:

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



Insurance benefits and claims incurred, net consists of:

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

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

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

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

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

Gross insurance contract benefits and claims paid consist of:

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

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

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



Gross change in insurance contract liabilities consist of:

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

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

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

Disaggregation of Costs from school and related operations:

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



32. Other Income - Net

This account consists of:

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

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

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

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

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

Interest income consists of income from:

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

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



33. General and Administrative Expenses

This account consists of:

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

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

34. Depreciation and Amortization

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

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



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

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

35. Interest and Finance Charges

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

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

36. Retirement Plan

The Group has funded, noncontributory retirement plans (the Plans) for all of its regular employees, in compliance with RA No. 7641, The New Retirement Pay Law. The Plans provide for normal, early retirement, death, and disability benefits. The most recent actuarial valuation was made for the Group's retirement plans as of December 31, 2024.

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

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

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

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



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

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

The movements in the net retirement liability follow:

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

The movements in the present value of defined obligation follow:

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

The movements in the fair value of plan assets follow:

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



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

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

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

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

Trust fees paid in 2024, 2024 and 2023 amounted ₱0.88 million, ₱0.69 million and ₱4.84 million, respectively.

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

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

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

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

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

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

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

In 2023, the Fund has investment in equity securities of related parties with fair values and accumulated loss of ₱159.96 million and ₱3.6 million, respectively.

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



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

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

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

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

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

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

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

37. Income Taxes

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

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



All companies in the Group are subject to the RCIT rate of 25%, except for MESI, MHSSI, MCLI, MCMI, UNC, NTC and APEC which are subject to a lower tax rate of 1% as provided by CREATE that special tax rate is to be applied to proprietary educational institutions and hospitals.

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

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

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

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

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

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

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



from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

As of December 31, 2022, the amount of NOLCO incurred before taxable year 2022 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2024	₱13,759,686	₱—	₱—	₱13,759,686	2027
2023	66,307,938	—	—	66,307,938	2026
2022	60,541,134	2,728,552	—	57,812,582	2025
	₱140,608,758	₱2,728,552	(₱—)	₱137,880,206	

As of December 31, 2022, the Group has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year incurred	Amount	Applied/Expired	Adjustments	Balance	Expiry Year
2021	₱229,200,542	₱118,811,090	(₱321,204,614)	₱110,389,452	2026
2020	256,381,702	3,604,406	(4,327,645,492)	252,777,296	2025
	₱485,582,244	₱122,415,496	(₱4,648,850,106)	₱363,166,748	

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

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

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

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

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

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



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

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

38. Earnings Per Share

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

Basic earnings (loss) per share

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

Diluted earnings (loss) per share

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



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

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

39. Capital Stock

Preferred stock

The authorized preferred stock is 2,500,000,000 shares at ₱0.40 par value. There are no preferred shares outstanding as at December 31, 2024 and 2023.

Common stock

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

A reconciliation of the number of common shares outstanding as at December 31, 2024, 2023 and 2022 follows:

	2024		2023		2022	
	Amount	Shares	Amount	Shares	Amount	Shares
Balance at beginning of year	₱2,204,403,351	1,469,302,230	₱1,165,147,926	776,765,281	₱1,165,147,926	776,765,281
Issuance of new shares	—	—	1,039,255,425	692,836,949	—	—
Balance at end of year	2,204,403,351	1,469,602,230	2,204,403,351	1,469,602,230	1,165,147,926	776,765,281
Treasury stock	(2,607,600)	(300,000)	(2,607,600)	(300,000)	(2,607,600)	(300,000)
	₱2,201,795,746	1,469,302,230	₱2,201,795,746	1,469,302,230	₱1,162,540,326	776,465,281

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

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



The following are summarized net assets of the following new subsidiaries:

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

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

SEC approved the registration of the Parent Company's authorized capital stock before its listing date with the PSE, which was on July 2, 1962. The actual number of shares initially listed were 584,085 shares at an offer price of ₱10.0 per share. Total number of common shareholders was 367 and 371 as of December 31, 2024 and 2023, respectively.

Capital Management

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

Capital Structure

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

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

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

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



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

The equity ratio at year end is as follows:

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

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

Regulatory Capital Requirement

On January 13, 2015, the IC issued Circular Letter No. 2015-02-A clarifying the minimum capitalization and networth requirements of new and existing insurance companies in the Philippines. All domestic life and non-life insurance companies duly licensed by the IC must have a net worth of at least ₱250.00 million by December 31, 2013. (Sec. 194).

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

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

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

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

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

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

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



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

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

Unimpaired Capital Requirement

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

Risk-based Capital Requirements (RBC)

In 2006, the IC issued Memorandum Circular (IMC) No. 6-2006 adopting a risk-based capital framework to establish the required amounts of capital to be maintained by the life insurance companies in relation to their investment and insurance risks. The investments and insurance risks of the company are classified under four major categories as asset default risk, insurance pricing risk, interest rate risk and general business risk.

The RBC ratio shall be calculated as net worth divided by the RBC requirement. Net worth shall include the company's paid-up capital, capital in excess of par value, contributed and contingency surplus and unassigned surplus. Revaluation and fluctuation reserve accounts shall form part of net worth only to the extent authorized by the IC.

Every life insurance company is annually required to maintain a minimum RBC ratio of 100% and not fail the trend test. The trend test has failed, in the event that:

- a. The RBC ratio is less than 125% but is not below 100%
- b. The RBC ratio has decreased over the past year
- c. The difference between RBC ratio and the decrease in the RBC ratio over the past year is less than 100%

Failure to meet the RBC ratio shall subject the insurance company to the corresponding regulatory intervention which has been defined at various levels.

Below is the estimated RBC ratio in 2024 and approved RBC ratio in 2023 (based on IC approved Synopsis):

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

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



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

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

Financial Reporting Framework (FRF)

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

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

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

Solvency Requirements

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

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

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

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



40. Retained Earnings

Retained Earnings Appropriation

On December 31, 2018, the Company's BOD approved additional appropriation of retained earnings amounting to ₱2,100 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

On December 31, 2019, the Company's BOD approved additional appropriation of retained earnings amounting to ₱400 million for planned investments and business expansion that the Parent Company intends to carry out for 2-3 years.

On December 31, 2021, the Parent Company's BOD approved appropriation of retained earnings amounting to ₱3.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next 2-3 years. On the same date, the Parent Company approved the reversal of ₱2.5 billion appropriations made in 2019 and 2018 following the completion of its previous planned investment and business expansion.

On November 22, 2024, the Company approved the reversal of the appropriation amounting to ₱3.50 billion, which was intended to be used to finance the Company's planned investment and business expansion.

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

Dividends Declaration

On July 21, 2023, the Company declared dividends of ₱38.82 million or ₱0.05 per share to ordinary shareholders on record as at August 4, 2023 and was subsequently paid on September 1, 2023.

On November 24, 2023 and April 12, 2023, the Parent Company's BOD approved additional appropriation of retained earnings amounting to ₱1,705.0 billion and ₱0.5 billion, for planned investments and business expansion that the Parent Company intends to carry out for the next three (3) years, respectively.

On August 9, 2024, the Company declared dividends of ₱73.47 million or ₱0.05 per share to ordinary shareholders on record as at August 27, 2024 and was subsequently paid on September 6, 2024.

Retained Earnings Available for Dividend Declaration

Retained earnings include ₱6,034.3 million and ₱4,831.3 million as of December 31, 2024 and 2023, respectively, representing treasury shares, appropriated retained earnings and deferred tax assets that are not available for dividend declaration. After reconciling items, the retained earnings of the Parent Company that are available for dividend declaration amounted to ₱5,384.52 million and ₱1,145.49 million as of December 31, 2024 and 2023, respectively.

Under the Tax Code, publicly-held Corporations are allowed to accumulate retained earnings in excess of capital stock and are exempt from improperly accumulated earnings tax.

Restrictions

The Group's retained earnings include accumulated earnings of subsidiaries, associate and joint venture amounting to ₱6,549.40 million and ₱6,334.50 million as of December 31, 2024 and 2023, respectively, not declared as dividends to the Group. Accordingly, these are not available for dividend declaration.



41. Non-controlling Interests

The summarized financial information attributable to non-controlling interests for significant subsidiaries as of and for the years ended December 31, 2024, 2024 and 2023 are as shown below:

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

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

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

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

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

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

(f) Proportion of ownership owned by non-controlling interests as of December 31, 2024 and 2023: 60.00% and 0.00%, respectively



Material Partly-Owned Subsidiaries

MEI

On April 25, 2023, the BOD of the Parent Company. approved the authority to enter in a Share Swap Agreement with the Ultimate Parent Company (PMMIC), whereby the Parent Company will issue 397,703,801 common shares to PMMIC in exchange for the acquisition of 100% of PMMIC's outstanding shareholdings in MEI which is equivalent to 77.33% of MEI.

SLGFI

On April 25, 2023, the BOD of the Parent Company approved the authority to enter in a Share Swap Agreement with GPL Holdings, Inc. (GPLH) whereby the Parent Company will issue 295,133,148 common shares to GPLH in exchange for the acquisition of 100% of GPLH's outstanding shareholdings in SLGFI and Grepa Realty Holdings Corporation (GRHC). As of this date GPL directly owns 51% of SLGFI and 49% of GRHC. SLGFI also owns 51% of GRHC, thus GPL's effective ownership in GRHC is 75%.

RTC

In 2023, the Parent Company invested ₱40.0 million for a 40% stake in RCBC Trust Corporation.

SLRHSI

In February 2022, the Parent Company sold 1,612,759 common shares representing 14.64% ownership of SLRHSI to Sojitz Corporation. Further, on November 15, 2022, Sojitz Corporation subscribed and paid for additional authorized capital stock applied for by SLRHSI. Accordingly, the ownership stake of the Parent Company decreased from 100% to 60%.

IPO

In May 2019, the Parent Company sold the 281,642 shares of MESI to IPO, which represents 7% ownership in MESI. With this acquisition, MESI became 100% indirectly-owned subsidiary of the Parent Company through IPO. Subsequently, IPO issued 295,329,976 common shares from its unissued capital stock to AC, the parent company of AEI, in exchange for the merger of IPO and AEI, with IPO being the surviving corporation. Upon merger, the Parent Company's ownership interest over IPO was reduced from 67.34% to 48.18%. The non-controlling interest increased from 32.66% to 51.82% or an increase of ₱2.52 billion.

EEI

On April 26, 2023, the Parent Company sold 207,256,297 common shares, representing 20% of the outstanding shares of EEI Corporation (EEI) for a consideration of ₱1.25 billion. The sale has reduced the holdings of the Parent Company in EEI from 55.34% to 35.34% which signified loss of control over the subsidiary. This transaction resulted to deconsolidation of EEI and its subsidiaries. On May 22, 2023, the Parent Company sold 148,664,942 common shares representing 14.34% of the outstanding shares of EEI which further reduced the holdings of the Parent Company to 21%. The sale is accounted as disposal of investment in an associate. In 2024, the remaining EEI shares were accounted as FVOCI after the disposal of the corresponding 5% equity interest.



42. Operating Segment Information

For management purposes, the Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment financial information is reported on the basis that it is used internally for evaluating segment performance and allocating resources to segments.

The Group derives its revenue from the following reportable segments:

Property and Property services - represents property and project management services of the Group.

Education - primarily consists of revenues from IPO and subsidiaries in education and other related support services.

Automotive - represents automotive dealerships of the Group. The Car Dealership business of the Parent Company was consolidated under HI Cars, Inc. effective July 1, 2024.

Financial services - consists of non-life and life insurance arm of the Group. This also includes

Other Services - represent support services which cannot be directly identified with any of the reportable segments mentioned above. These include sale of pharmaceutical products, trading of consumer goods and rendering various services to the consumers.

Segment assets and liabilities exclude deferred income tax assets and liabilities. Inter-segment income arises from transactions that were made on terms equivalent to those that prevail in an arms-length transactions.

Management monitors construction revenue and segment net income for the purpose of making decisions about resource allocation. Segment performance is evaluated based on net income and construction revenue.

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



(Amounts in Millions)

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



43. Financial Instruments and Financial Risk Management Objectives and Policies

Management of Insurance Risk and Investment Risk of the Insurance Segment

Insurance Risk

Insurance risk pertains to the uncertainty of the amount and timing of any claim arising from the occurrence of an insured event. The principal risk the Group faces under an insurance contract is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated, and subsequent development of long-term claims.

Life insurance contracts

Terms and conditions

The Group principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for pre-determined amount.

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

Whole life and term insurance are conventional products where lump sum benefits are payable on death.

Endowment products are savings products where lump sum benefits are payable after a fixed period or on death before the period is completed.

Unit-linked products differ from conventional policies in that a guaranteed percentage of each premium is allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.

The risks associated with the life and accident and health products are underwriting risk and investment risk.

The main risks the Group are exposed to include:

- Mortality risk - risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Group, type of risk insured and by industry. Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Group's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.



The table below sets out the Group's concentration of insurance risk based on the sum assured:

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

Key assumptions

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

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

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

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

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

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



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

- *Lapses and/or persistency rates*

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

- *Non-guaranteed benefits*

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

Non-life insurance contracts

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

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

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

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

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

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

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



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

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

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

2024			
	Gross	Reinsurers' Share	Net
Fire	₱15,223,742,034	₱12,280,475,827	₱2,943,266,207
Engineering	779,493,719	405,297,655	374,196,064
Marine cargo	709,989,156	155,856,049	554,133,107
Motor	529,882,791	516,533,449	13,349,342
Miscellaneous casualty	631,481,997	311,205,612	320,276,385
Bonds	39,391,054	16,301,265	23,089,789
Others	204,535,280	8,322,596	196,212,684
	₱18,118,516,031	₱13,693,992,453	₱4,424,523,578

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

Key assumptions

The principal assumption underlying the liability estimates is the Group's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example one-off occurrence, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include variations in interest, delays in settlement and changes in foreign currency rates.

Sensitivities

The insurance claims provision is sensitive to the above key assumptions. Because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the outstanding claim provisions are not known with certainty at the reporting dates.



The table below shows the impact of changes in certain important assumptions in general insurance business while other assumptions remain unchanged. The correlation of assumptions will have a significant effect in determining the claims but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on individual basis.

2024				
	Change in Assumptions %	Impact on Gross Insurance Contract Liabilities Increase (Decrease)	Impact on Net Insurance Contract Liabilities Increase (Decrease)	Impact on Income Before Income Tax Increase (Decrease)
Average claim costs	+5%	₱231,040,493	₱126,559,053	(₱126,559,053)
Average number of claims	+5%	220,879,433	120,993,041	(120,993,041)
2023				
	Change in Assumptions %	Impact on Gross Insurance Contract Liabilities Increase (Decrease)	Impact on Net Insurance Contract Liabilities Increase (Decrease)	Impact on Income Before Income Tax Increase (Decrease)
Average claim costs	+5%	₱75,391,802	₱64,716,856	(₱64,716,856)
Average number of claims	+5%	71,977,280	61,785,806	(61,785,806)

Claims Development Table

The following tables reflect the cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting dates, together with cumulative payments to date.

The Group aims to maintain strong reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. As claims develop and the ultimate cost of claims becomes more certain, adverse claims experiences are eliminated which results in the release of reserves from earlier accident years. In order to maintain strong reserves, the Group transfers much of this release to current accident year reserves when the development of claims is less mature and there is much greater uncertainty attaching to the ultimate cost of claims.

The risks vary significantly in relation to the location of the risk insured by the Group, type of risks insured and in respect of commercial and business interruption insurance by industry.



Gross insurance contract liabilities in 2024												
	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	48,204,429,754	2,241,711,221	2,799,793,230	16,241,504,382	5,153,102,963	4,980,155,446	6,924,129,835	14,674,208,685	18,556,878,985	2,437,945,300	1,388,055,748	1,388,055,748
One year later	50,582,301,279	2,430,353,637	2,234,422,165	18,339,504,260	4,314,430,428	5,217,162,712	7,089,827,891	13,238,768,283	18,485,126,714	3,052,445,226	–	3,052,445,226
Two years later	48,408,111,100	2,097,507,943	2,697,029,812	12,875,210,213	2,911,397,003	3,866,860,164	7,007,800,871	11,289,359,077	17,939,522,845	–	–	17,939,522,845
Three years later	47,807,684,714	2,373,482,959	2,469,757,830	11,418,242,025	3,069,592,912	3,891,154,806	6,738,249,928	9,965,814,231	–	–	–	9,965,814,231
Four years later	46,992,142,337	2,216,378,096	2,433,059,468	8,315,487,173	3,072,692,319	3,778,447,121	6,457,348,073	–	–	–	–	6,457,348,073
Five years later	47,186,108,643	2,157,049,376	2,398,513,892	8,325,046,330	3,037,695,158	3,853,293,091	–	–	–	–	–	3,853,293,091
Six years later	46,635,133,096	2,156,232,494	2,397,092,418	8,325,860,856	3,230,784,458	–	–	–	–	–	–	3,230,784,458
Seven years later	45,618,562,168	2,147,791,124	2,397,527,933	8,313,293,051	–	–	–	–	–	–	–	8,313,293,051
Eight years later	44,308,332,480	2,147,677,617	2,359,306,970	–	–	–	–	–	–	–	–	2,359,306,970
Nine years later	48,724,539,360	2,142,409,177	–	–	–	–	–	–	–	–	–	2,142,409,177
Ten years later	35,547,068,514	–	–	–	–	–	–	–	–	–	–	35,547,068,514
Current estimate of cumulative claims	35,547,068,514	2,142,409,177	2,359,306,970	8,313,293,051	3,230,784,458	3,853,293,091	6,457,348,073	9,965,814,231	17,939,522,845	3,052,445,226	1,388,055,748	94,249,341,384
Cumulative payments to date	31,277,120,953	2,116,955,473	2,337,374,511	8,121,003,338	3,055,753,391	3,623,131,705	5,721,584,226	8,258,241,040	9,813,927,474	636,743,889	1,168,989,354	76,130,825,353
Liability recognized	4,269,947,561	25,453,704	21,932,459	192,289,714	175,031,067	230,161,386	735,763,847	1,707,573,191	8,125,595,371	2,415,701,337	219,066,394	18,118,516,031

Net insurance contract liabilities in 2024												
	2014 and prior year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Accident year	5,612,840,930	1,804,868,817	739,562,893	1,038,422,353	1,827,218,079	1,727,128,442	1,209,989,312	1,522,823,993	1,794,948,588	2,427,305,011	7,994,741,912	7,994,741,912
One year later	4,799,426,752	1,940,950,234	831,100,045	2,361,827,593	1,436,546,906	1,390,662,826	795,905,554	2,225,849,984	1,932,839,163	3,122,993,180	–	3,122,993,180
Two years later	4,696,295,469	1,677,133,217	710,996,914	1,630,530,445	1,241,795,248	1,054,655,343	438,841,168	1,868,924,559	2,454,933,171	–	–	2,454,933,171
Three years later	5,767,051,850	544,665,549	663,883,264	1,538,496,936	1,205,064,186	1,053,043,530	372,301,064	3,630,857,123	–	–	–	3,630,857,123
Four years later	4,591,563,857	498,593,050	674,369,595	1,502,251,512	1,205,226,779	1,027,461,290	434,341,812	–	–	–	–	434,341,812
Five years later	2,716,653,787	464,078,188	650,009,506	1,885,527,098	1,186,478,180	1,278,316,475	–	–	–	–	–	1,278,316,475
Six years later	1,633,938,105	463,023,606	651,561,065	1,862,753,233	1,684,683,351	–	–	–	–	–	–	1,684,683,351
Seven years later	1,546,575,549	463,333,882	651,883,052	1,856,416,108	–	–	–	–	–	–	–	1,856,416,108
Eight years later	1,498,239,684	463,219,427	652,401,293	–	–	–	–	–	–	–	–	652,401,293
Nine years later	1,452,219,159	461,242,260	–	–	–	–	–	–	–	–	–	461,242,260
Ten years later	1,454,266,057	–	–	–	–	–	–	–	–	–	–	1,454,266,057
Current estimate of cumulative claims	1,454,266,057	461,242,260	652,401,293	1,856,416,108	1,684,683,351	1,278,316,475	434,341,812	3,630,857,123	2,454,933,171	3,122,993,180	7,994,741,912	25,025,192,742
Cumulative payments to date	1,260,648,597	455,621,034	647,636,416	1,838,422,717	1,640,323,105	1,161,392,087	333,906,117	3,020,993,550	1,991,465,926	1,912,915,834	6,337,343,781	20,600,669,164
Liability recognized	193,617,459	5,621,226	4,764,877	17,993,392	44,360,246	116,924,388	100,435,695	609,863,573	463,467,245	1,210,077,346	1,657,398,131	4,424,523,578



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

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



Investment Risk

The investment risk represents the exposure to loss resulting from cash flows from invested assets, primarily long-term fixed rate investments, being less than the cash flows required to meet the obligations of the expected policy and contract liabilities and the necessary return on investments.

Additionally, there exists a future investment risk associated with certain policies currently in force which will have premium receipts in the future. That is, the investment of those future premium receipts may be at a yield below that required to meet future policy liabilities.

To maintain an adequate yield to match the interest necessary to support future policy liabilities, management focus is required to reinvest the proceeds of the maturing securities and to invest the future premium receipts while continuing to maintain satisfactory investment quality.

The Group's strategy is to invest primarily in high quality securities while maintaining diversification to avoid significant exposure to issuer, industry and or country concentrations. Another strategy is to produce cash flows required to meet maturing insurance liabilities. The Group invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. Financial assets at FVOCI are subject to changes in fair value. Generally, insurance regulations restrict the type of assets in which an insurance company may invest.

Financial Risk Management Objectives and Policies

The main purpose of the Group's financial instruments is to raise finances for the Group's operations.

The main risks arising from the Group's financial instruments are liquidity risk, market risk, and credit risk. The BOD reviews and agrees on the policies for managing these risks, as well as approving and authorizing risk limits set by management, summarized below. There were no changes in the policies for managing these risks.

a. Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations as they fall due. The Group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts. As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and funding requirements, the Group intends to use internally generated funds and available short-term and long-term credit facilities.

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date.

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

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



Financial Liabilities

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

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

Financial Liabilities

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

b. Market risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in equity prices, foreign currency exchange rates and interest rates.

c. Equity price risk

The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as available-for-sale securities.

Quoted available-for-sale securities assets are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. The Group's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments; diversification plan; and limits on investment in each industry or sector.

The Parent Company's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity investments at FVOCI.

Equity investments at FVOCI are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.



The analysis below is performed for reasonably possible movements in the market index with all other variables held constant, showing the impact on equity.

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

d. Credit risk

The Parent Company's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Parent Company. The Parent Company manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Parent Company's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Parent Company does not have any significant exposure to any individual customer or counterparty. With respect to credit risk arising from receivables, the Parent Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of this financial asset.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for various customer segments. With similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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



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

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

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

f. Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The tables below summarize the Company's exposure to foreign currency exchange rate risks by categorizing financial assets and liabilities by major currencies in PHP denomination.

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

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar, euro and other currency exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the foreign exchange rate).

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

*Others include Australian dollar, Canadian dollar, Japanese yen, Hong Kong dollar, British pound, Swiss franc, Indonesian rupiah, Singaporean dollar, Swedish krona, Norwegian krone, Danish krone, and New Zealand dollar



Interest Rate Risk

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

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

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

	Interest Rate	2024			
		Within one year	1-3 years	More than 3 years	Total
Cash and cash equivalents	4.80% - 6.25%	₱2,350,354,720	₱—	₱—	₱2,350,354,720
Short-term investments	0.25% - 4.90%	2,309,272	—	—	2,309,272
Financial assets at FVTPL	3.50% - 8.70%	115,743,160	139,958,238	5,908,708,519	6,159,409,917
Financial assets at FVOCI	1.65% - 10.63%	2,378,640,344	1,456,775,543	15,789,784,309	19,625,200,196
Investment securities at amortized cost	1.65% - 8.00%	75,349,025	288,745,548	3,831,032,652	4,195,127,225
Policy loans	6.00% - 8.00%	592,414,145	—	—	592,414,145
Long-term commercial papers	3.3% - 7.26%	524,705,274	379,496,058	213,300,000	1,117,501,332
Notes receivable	1.00% - 8.00%	4,705,737	13,262,349	1,370,139	19,338,225
Security fund	4.76%	909,737	—	—	909,737
Total interest-bearing financial assets		₱6,045,131,414	₱2,278,237,736	₱25,739,195,619	₱34,062,564,769

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the FVOCI debt securities, with all other variables held constant, of the Group's equity:

Currency	Change in basis points	Impact on equity Increase (decrease)	
		2024	2023
Philippine Peso	+ 100	₱199,688,263	₱167,320,969
U.S. Dollar	+ 100	91,525,345	53,174,824
Philippine Peso	– 100	308,694,913	259,134,249
U.S. Dollar	– 100	147,273,472	80,896,145

Financial Instruments

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



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

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

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

44. Changes in Liabilities Arising from Financing Activities

2024				
	January 1, 2023	Net cash flows	Non-cash movement	December 31, 2024
Loans payable (Note 26)	₱3,971,142,021	₱1,663,857,979	₱—	₱5,635,000,000
Long-term debt (Note 27)	4,880,345,170	(32,573,600)	(34,084,162)	4,813,687,408
Lease liabilities (Note 22)	607,983,302	(192,747,017)	315,160,006	730,396,291
	₱9,459,470,493	₱1,438,537,362	₱281,075,844	₱11,179,083,699

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



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, included in this Form 17-A, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

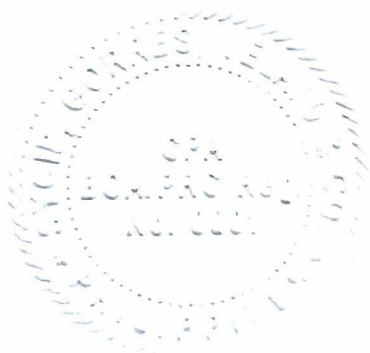
Tax Identification No. 225-158-629

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

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

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

April 14, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of House of Investments, Inc. and its Subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño

Partner

CPA Certificate No. 114462

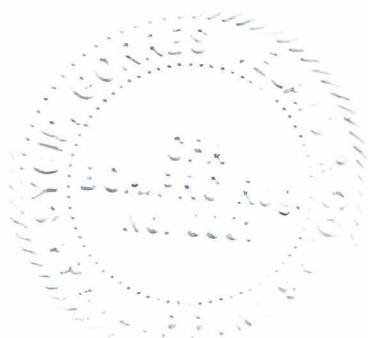
Tax Identification No. 225-158-629

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

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

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

April 14, 2025



HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

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

Philippine Securities and Exchange Commission (SEC) issued the Revised Securities Regulation Code (SRC) Rule 68 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by Revised SRC Rule 68 that are relevant to the Group. This information is presented for the purpose of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

Below is the schedule of Financial Assets of the Group as of December 31, 2024.

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

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

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

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

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

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

As at December 31, 2024, the Group has no receivable above ₱1 million or 1% of the total assets, whichever is lower from directors, officers, employees, and principal stockholders (other than related parties).

Schedule C. Amounts Receivable from Related Parties which are eliminated during the Consolidation of Financial Statements

Below is the schedule of receivables with subsidiaries, which are eliminated in the consolidated financial statements as at December 31, 2024:

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

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

These receivables are non-interest bearing and are expected to be settled within the next twelve (12) months.

Schedule D. Intangible Asset - Other Noncurrent Assets

As at December 31, 2024, the Group's intangible assets consist of goodwill and computer software. Goodwill in the Group's consolidated statements of financial position arose from the acquisition of IPO and MESI. Details of the Group's intangible assets are as follows:

Description	Balance at beginning of year	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Balance at end of year
Goodwill	₱183,970,413	₱–	(₱7,794,149)	₱–	₱–	₱176,176,264
Intellectual property rights	458,110,748	–	(10,434,748)	–	–	447,676,000
Student relationship	6,032,200	–	(3,061,152)	–	–	2,971,048
Computer software	26,289,885	50,875,144	(34,723,168)	–	(1,312,723)	41,129,138
	₱674,403,246	₱50,875,144	(₱56,013,217)	₱–	(₱1,312,723)	₱667,952,450

Schedule E. Long-term Debt

Below is the schedule of long-term debt of the Group:

Type of Obligation	Amount	Current	Non-current
ATYC			
Peso-denominated promissory note payable on or before September 30, 2025 together with annual interest of 6.04% due every anniversary of the note starting on September 30, 2023 until the note is fully paid	2,421,451,250	–	2,421,451,250
NTC			
Peso-denominated seven (10) year term loan, payable in 28 quarterly payments starting May 2022 with interest subject to annual repricing based on higher of 5.5% or prevailing 1-year rate plus interest spread	293,851,400	32,573,600	261,277,800
	2,715,302,650	32,573,600	2,682,729,050

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

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

Schedule G. Guarantees of Securities of Other Issuers

There are no guarantees of securities of other issuing entities by the Group as at December 31, 2024.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related statement of financial position caption	Number of shares held by related parties	Directors, Officers and Employees	Others
Common shares	1,470,000,000	1,469,302,230	1,267,492,501	2,853,400	198,956,329
Preferred shares	2,500,000,000	—	—	—	—

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2024

HOUSE OF INVESTMENTS, INC.

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

Unappropriated Retained Earnings, beginning of reporting period	₱1,145,493,373
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Add: Category A: Items that are directly credited to

Unappropriated Retained Earnings

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

Less: Category B: Items that are directly debited to

Unappropriated Retained Earnings

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

Unappropriated Retained Earnings, as adjusted	4,937,450,093
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Add/Less: Net Income (Loss) for the current year	414,707,781
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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	—
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Add: Category C.3: Unrealized income recognized in the profit or loss in prior reporting periods but reversed in the current reporting period (net of tax)

Realized foreign exchange gain, except those attributable to Cash and cash equivalents	—
Reversal of previously recorded fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—
Reversal of previously recorded fair value gain on Investment Property	—
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—
Sub-total	—
Adjusted Net Income/Loss	414,707,781

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	—
Sub-total	—

Add: Category E: Adjustments related to relief granted by SEC and BSP (see Footnote 3)

Amortization of effect of reporting relief	—
Total amount of reporting relief granted during the year	—
Others (describe nature)	—
Sub-total	—

Add (Less): Category F: Other items that should be excluded from the determination of the amount available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	—
Net movement of deferred tax asset not considered in the reconciling items in the previous categories	—
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	84,082,748
Adjustment due to deviation from PFRS/GAAP	—
Others (describe nature)	—
Sub-total	84,082,748

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

₱5,436,240,622

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

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

Financial Soundness Indicator

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

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

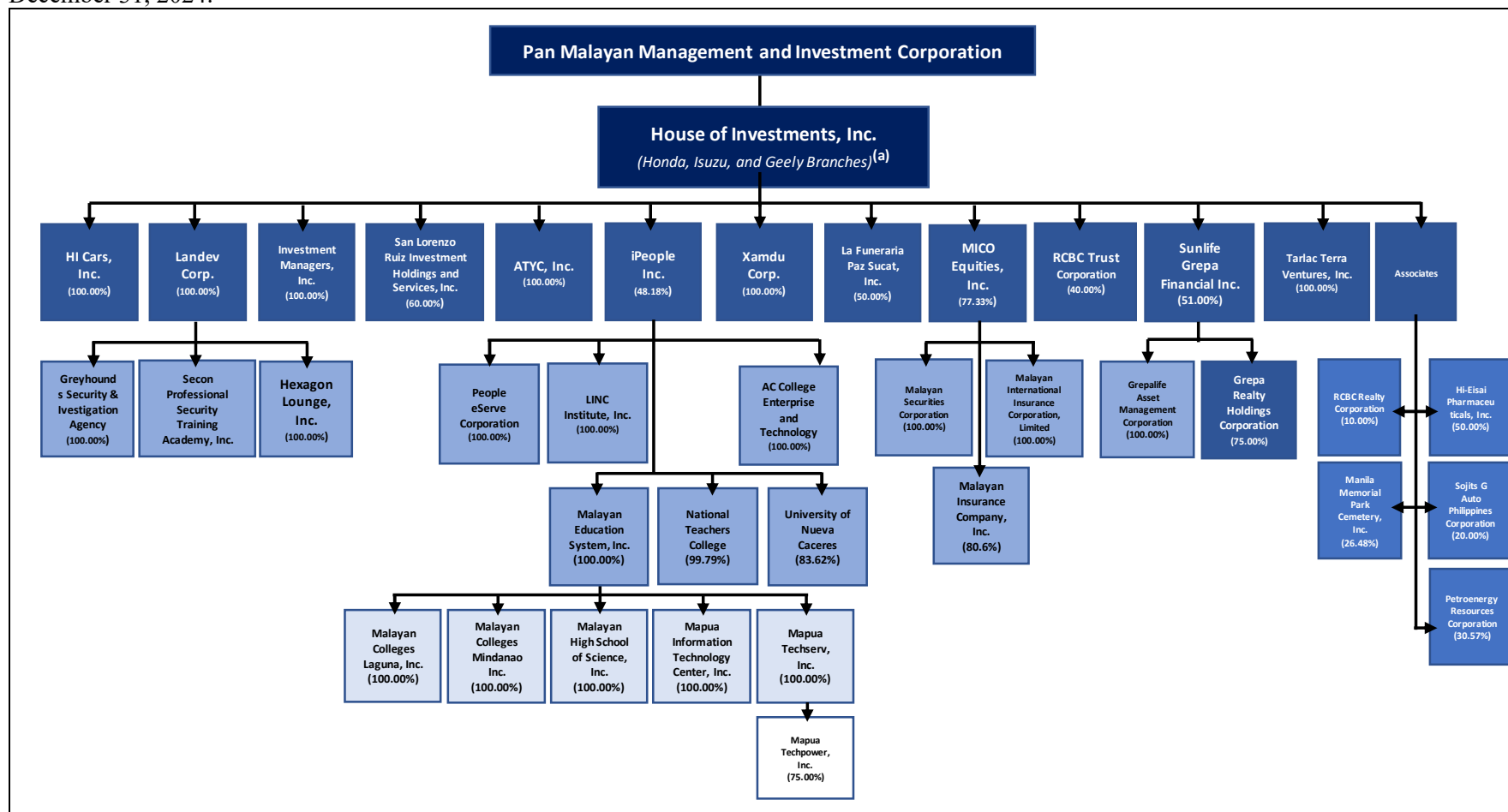
**Earnings before interest and taxes (EBIT)*

HOUSE OF INVESTMENTS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

Group Structure

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



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

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

Supplementary Schedule of External Auditor Fee-Related Information

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

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