C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number: 8462

COMPANY NAME

SUN LIFE GREPA FINANCIAL, INC.

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

6th Floor, Grepalife Building 221 Senator Gil J. Puyat Avenue, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
wecare@sunlifegrepa.com	8866-6800	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
11	06/04	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
[redacted]	[redacted]	[redacted]	N/A

CONTACT PERSON's ADDRESS

6th Floor, Grepalife Building, 221 Senator Gil J. Puyat Avenue, Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

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

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Company Name: SUN LIFE GREPA FINANCIAL INC.
Industry Classification: J67010
Company Type: Stock Corporation

Document Information

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Period Covered: December 31, 2025
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Acceptance of this document is subject to review of forms and contents

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Sun Life GREPA
Financial

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of **SUN LIFE GREPA FINANCIAL, INC.** (the "Company") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the Philippine Financial Reporting Standards, 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.

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.

[redacted]

HELEN Y. DEE
Chairman of the Board

[redacted]

RICHARD S. LIM
President

[redacted]

CANDY S. ESTEBAN
Treasurer

Signed this **18th day of March 2026.**

Subscribed and sworn to before me this ______ day of MAR 23 2026 2026 at MAKATI CITY______, affiants exhibiting to me competent evidence of identity, as follows:

Name	Government ID	Place of Issue
Helen Y. Dee	[redacted]	Quezon City
Richard S. Lim		Pasay City
Candy S. Esteban		Mandaluyong City

Doc. No. 273;
Page No. 56;
Book No. 26.;
Series of 2026

ATTY. JOEL L. VILLALON
Notary Public for Makati City until 12-31-2026
Roll No. 51808, Appointment No. M-008
IBP Lifetime No. 018385, 12-27-17, PPLM
MCLE Compliance No. VIII-0028633
PTR No. 10764518/1-02-2026
Unit 203 Carreon Bldg.,
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SGV
Building a better working world

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

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

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Sun Life Grepa Financial, Inc.
6th Floor, Grepalife Building,
221 Senator Gil J. Puyat Avenue, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Life Grepa Financial, Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), as applicable to the audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to the audits of financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company's internal control..Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern. oEvaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 34 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Sun Life Grepa Financial, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

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

March 18, 2026

SUN LIFE GREPA FINANCIAL, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2025	2024
ASSETS		
Cash and cash equivalents (Notes 6 and 31)	**₱1,738,982,925**	₱1,073,867,031
Insurance receivables (Notes 7 and 31)	**464,552,640**	192,361,913
Financial assets (Notes 8, 18 and 31)		
Financial assets at fair value through profit or loss	**7,810,204,673**	5,886,745,147
Available-for-sale financial assets - net	**19,163,414,854**	17,750,213,878
Loans and receivables - net	**937,105,679**	772,233,197
Segregated fund assets (Note 18)	**48,971,393,835**	42,114,575,829
Accrued income (Notes 10 and 31)	**459,509,016**	406,229,455
Investments in subsidiaries (Note 9)	**1,056,092,200**	1,076,092,200
Property and equipment - net (Note 11)	**186,164,578**	107,162,548
Deferred tax assets - net (Note 28)	**277,065,943**	208,340,943
Right-of-use assets - net (Notes 11 and 33)	**70,016,156**	29,824,125
Other assets (Note 12)	**107,716,765**	91,706,699
	₱81,242,219,264	₱69,709,352,965
LIABILITIES AND EQUITY		
Liabilities		
Segregated fund liabilities (Note 18)	**₱48,971,393,835**	₱42,114,575,829
Insurance contract liabilities		
Legal policy reserves - net (Notes 13 and 31)	**17,728,035,173**	15,695,879,841
Policy and contract claims payable (Notes 14 and 31)	**1,966,071,519**	1,544,805,052
Policyholders' dividends (Notes 15 and 31)	**499,454,733**	397,478,059
Premium deposit fund (Notes 16 and 31)	**490,981,803**	437,957,787
Insurance payables (Notes 17 and 31)	**815,432,037**	431,985,167
Accounts payable and accrued expenses (Notes 19 and 31)	**918,818,561**	746,162,389
Income tax payable (Note 28)	**153,090,269**	76,997,021
Net pension liability (Note 27)	**81,182,800**	91,388,800
Lease liabilities (Note 33)	**72,361,618**	30,898,773
Other liabilities (Note 33)	**192,012,145**	63,928,771
	71,888,834,493	61,632,057,489
Equity		
Capital stock (Note 20)	**350,000,000**	350,000,000
Contributed surplus	**1,093,545**	1,093,545
Revaluation reserve on available-for-sale financial assets (Note 8)	**(144,269,232)**	(472,016,751)
Actuarial losses on retirement benefit plan (Note 27)	**(114,032,550)**	(116,835,900)
Remeasurement on legal policy reserves (Note 13)	**(32,469,220)**	(126,044,698)
Retained earnings (Note 21)	**9,293,062,228**	8,441,099,280
	9,353,384,771	8,077,295,476
	₱81,242,219,264	₱69,709,352,965

See accompanying Notes to Financial Statements.

SUN LIFE GREPA FINANCIAL, INC.
STATEMENTS OF INCOME

	Years Ended December 31	
	2025	2024
REVENUE		
Gross earned premiums on insurance contracts	**₱18,619,575,240**	₱14,525,124,198
Reinsurers' share of gross premiums on insurance contracts	**(35,719,109)**	(32,189,834)
Insurance premiums net of reinsurance (Note 22)	**18,583,856,131**	14,492,934,364
Investment income - net (Note 23)	**3,147,465,135**	3,619,586,234
Fee income (Note 24)	**1,682,804,413**	1,533,815,329
Foreign exchange gain - net	**36,708,402**	106,170,569
Other income	**29,502,634**	46,904,299
Investment and other income	**4,896,480,584**	5,306,476,431
Total revenue	**23,480,336,715**	19,799,410,795
BENEFITS AND EXPENSES		
Insurance benefits and claims incurred (Notes 14 and 25)	**8,203,043,420**	7,564,959,802
Reinsurers' share in insurance benefits and claims incurred (Note 25)	**(10,314,393)**	(6,720,447)
Change in variable unit-linked segregated fund liabilities (Note 18)	**6,856,818,006**	4,621,842,223
Gross change in legal policy reserves (Notes 13 and 25)	**2,125,730,810**	2,263,934,022
Net insurance benefits and claims	**17,175,277,843**	14,444,015,600
Commissions and other direct expenses (Note 26)	**2,730,033,653**	2,278,445,929
General and administrative expenses (Note 26)	**1,221,090,618**	1,140,524,283
Insurance taxes	**162,411,795**	147,409,653
Interest expense (Note 26)	**29,973,264**	25,800,377
Expenses	**4,143,509,330**	3,592,180,242
Total benefits and expenses	**21,318,787,173**	18,036,195,842
INCOME BEFORE INCOME TAX	**2,161,549,542**	1,763,214,953
PROVISION FOR INCOME TAX (Note 28)	**489,586,594**	322,541,779
NET INCOME	**₱1,671,962,948**	₱1,440,673,174

See accompanying Notes to Financial Statements.

SUN LIFE GREPA FINANCIAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2025	2024
NET INCOME	**₱1,671,962,948**	₱1,440,673,174
OTHER COMPREHENSIVE INCOME (LOSS)		
Item that will be reclassified to profit or loss:		
Fair value gain (loss) on available-for-sale financial assets (Note 8)	**312,113,303**	(88,950,409)
Transfers to profit or loss (Note 8)	**15,634,216**	21,166,712
	327,747,519	(67,783,697)
Items that will not be reclassified to profit or loss:		
Remeasurement on legal policy reserves (Note 13)	**93,575,478**	(26,769,259)
Remeasurement gain (loss) on defined benefit plan (Note 27)	**3,737,800**	(16,994,700)
Tax effect on actuarial (gains) losses on retirement liability	**(934,450)**	4,248,675
	96,378,828	(39,515,284)
	424,126,347	(107,298,981)
TOTAL COMPREHENSIVE INCOME	**₱2,096,089,295**	₱1,333,374,193

See accompanying Notes to Financial Statements.

SUN LIFE GREPA FINANCIAL, INC.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Capital Stock (Note 20)	**Contributed Surplus**	**Revaluation Reserve on Available-for-sale Financial Assets** (Note 8)	**Remeasurement Loss on Defined Benefit Plan** (Note 27)	**Remeasurement on Legal Policy Reserves** (Note 13)	**Retained Earnings** (Note 21)	**Total**
As at January 1, 2025	**₱350,000,000**	**₱1,093,545**	**(₱472,016,751)**	**(₱116,835,900)**	**(₱126,044,698)**	**₱8,441,099,280**	**₱8,077,295,476**
Net income	**–**	**–**	**–**	**–**	**–**	**1,671,962,948**	**1,671,962,948**
Other comprehensive income	**–**	**–**	**327,747,519**	**2,803,350**	**93,575,478**	**–**	**424,126,347**
Total comprehensive income	**–**	**–**	**327,747,519**	**2,803,350**	**93,575,478**	**1,671,962,948**	**2,096,089,295**
Cash dividends (Note 21)	**–**	**–**	**–**	**–**	**–**	**(820,000,000)**	**(820,000,000)**
As at December 31, 2025	**₱350,000,000**	**₱1,093,545**	**(₱144,269,232)**	**(₱114,032,550)**	**(₱32,469,220)**	**₱9,293,062,228**	**₱9,353,384,771**
As at January 1, 2024	₱350,000,000	₱1,093,545	(₱404,233,054)	(₱104,089,875)	(₱99,275,439)	₱7,420,426,106	₱7,163,921,283
Net income	–	–	–	–	–	1,440,673,174	1,440,673,174
Other comprehensive income (loss)	–	–	(67,783,697)	(12,746,025)	(26,769,259)	–	(107,298,981)
Total comprehensive income (loss)	–	–	(67,783,697)	(12,746,025)	(26,769,259)	1,440,673,174	1,333,374,193
Cash dividends (Note 21)	–	–	–	–	–	(420,000,000)	(420,000,000)
As at December 31, 2024	₱350,000,000	₱1,093,545	(₱472,016,751)	(₱116,835,900)	(₱126,044,698)	₱8,441,099,280	₱8,077,295,476

See accompanying Notes to Financial Statements.

SUN LIFE GREPA FINANCIAL, INC.
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱2,161,549,542**	₱1,763,214,953
Adjustments for:		
Changes in legal policy reserves (Note 13)	**2,125,730,810**	2,263,934,022
Interest income (Note 23)	**(1,454,929,056)**	(1,426,211,500)
Unrealized foreign exchange gain - net (Note 8)	**(49,366,212)**	(115,646,637)
Fair value loss (gain) of financial assets at fair value through profit or loss (Note 8)	**(123,459,526)**	94,462,503
Amortization of bond premium on available-for-sale financial assets (Note 8)	**73,424,701**	75,031,358
Depreciation and amortization and other adjustments (Notes 11 and 26)	**65,274,892**	56,575,595
Provision for impairment loss on available-for-sale financial asset (Notes 8 and 23)	**39,168,614**	25,430,725
Dividend income (Note 23)	**(68,205,752)**	(25,343,239)
Interest expense on lease liabilities (Notes 26 and 33)	**2,663,645**	1,694,017
Interest expense on asset retirement obligation (Notes 26 and 33)	–	129,667
Gain on:		
Sale of available-for-sale financial assets (Note 23)	**(23,534,398)**	(4,264,013)
Sale of property and equipment (Note 11)	**(1,277,963)**	–
Operating income before changes in working capital	**2,747,039,297**	2,709,007,451
Changes in operating assets and liabilities:		
Increase in:		
Insurance receivables	**(272,190,727)**	(24,856,411)
Loans and receivables	**(164,872,482)**	(85,873,843)
Segregated fund assets	**(6,856,818,006)**	(4,550,195,512)
Other assets	**(6,845,430)**	(10,552,140)
Increase (decrease) in:		
Segregated fund liabilities	**6,856,818,006**	4,550,195,512
Policy and contract claims payable	**421,266,467**	68,801,611
Policyholders’ dividends	**101,976,674**	83,829,772
Premium deposit fund	**53,024,016**	(7,603,743)
Insurance payables	**383,446,870**	168,274,897
Accounts payable and accrued expenses	**172,656,172**	263,788,111
Net pension liability	**(6,468,200)**	(2,821,300)
Other liabilities	**118,918,738**	(41,780,022)
Net cash flows generated from operations	**3,547,951,395**	3,120,214,383
Income tax paid	**(483,152,796)**	(338,605,040)
Net cash flows provided by operating activities	**3,064,798,599**	2,781,609,343

(Forward)

	Years Ended December 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at fair value through profit or loss (Note 8)	**(₱1,800,000,000)**	(₱1,270,000,000)
Available-for-sale financial assets (Note 8)	**(7,693,033,090)**	(2,806,057,506)
Property and equipment (Note 11)	**(126,017,860)**	(53,245,409)
Proceeds from sale/maturities of:		
Available-for-sale financial assets (Note 8)	**6,567,886,928**	215,477,599
Investment in Subsidiaries and Associates (Note 9)	**20,000,000**	–
Property and equipment (Note 11)	**1,508,963**	–
Interest received	**1,401,668,882**	1,367,240,274
Dividends received	**68,186,365**	25,607,743
Net cash flows used in investing activities	**(1,559,799,812)**	(2,520,977,299)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to stockholders (Note 21)	**(820,000,000)**	(420,000,000)
Payments of lease liabilities (Note 33)	**(19,882,893)**	(12,849,383)
Net cash flows used in financing activities	**(839,882,893)**	(432,849,383)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**665,115,894**	(172,217,339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,073,867,031**	1,246,084,370
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱1,738,982,925**	₱1,073,867,031

See accompanying Notes to Financial Statements.

SUN LIFE GREPA FINANCIAL, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Sun Life Grepa Financial, Inc. (the Company), was incorporated and registered with the Securities and Exchange Commission (SEC) in 1954 and renewed its corporate existence in 2003. The Company was formed to undertake life insurance business, including accident and health insurance; to write insurance contracts providing for all risks, hazards, guarantees and contingencies to which life, accident or health insurance is applicable; to grant endowment and annuities; to issue insurance policies providing for participation or nonparticipation of profits; to reinsure all or part of the risks underwritten by the Company; to undertake all kinds of reinsurance to the extent allowed by the law; and to act as agent or general agent of another insurance company. The Company also offers investment linked products to meet both protection and investment needs.

On December 29, 2023, the Company's 51% ownership interest was acquired by House of Investments, Inc. (HI), an investment holding and management company, from GPL Holdings, Inc. (GPLHI). Previously, the Company was a subsidiary of GPLHI, a corporation registered in the Philippines which is majority owned by the Company's ultimate parent company, Pan Malayan Management and Investment Corporation (PMMIC), with registered office located at 4th Floor, Grepalife Building, 221 Senator Gil J. Puyat Avenue, Makati City. Both HI and its ultimate parent company, PMMIC are registered companies in the Philippines with offices located at 9th Floor, Grepalife Building, 221 Senator Gil J. Puyat Avenue, Makati City and 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, respectively.

Effective December 29, 2023, the Company is 51% owned by HI and 49% owned by Sun Life Financial Philippine Holding Company, Inc. (SLFPHI). Previously, the Company was 51% owned by GPLHI and 49% owned by SLPHI.

The registered office address of the Company is 6th Floor, Grepalife Building, 221 Senator Gil J. Puyat Avenue, Makati City.

The accompanying financial statements of the Company were approved and authorized for issue by the Board of Directors (BOD) on March 18, 2026.

2. Basis of Preparation and Statement of Compliance

The financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL), available-for-sale (AFS) financial assets and certain financial instruments under segregated fund assets, which have been measured at fair value.

The financial statements are presented in Philippine Peso (₱), which is the Company's functional currency. All amounts are rounded off to the nearest peso amount, unless otherwise indicated.

The Company has made use of the exemption from consolidation under Philippine Financial Reporting Standard (PFRS) 10, *Consolidated Financial Statements*. These financial statements are the separate financial statements of the Company. The financial statements of the Company and its subsidiaries are included in the consolidated financial statements of HI and PMMIC, which are in accordance with PFRS Accounting Standards as adopted by the Financial and Sustainability Reporting Standards Counsil (FSRSC). The registered office address of HI is 48th Floor, Yuchengco

Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, where the consolidated financial statements can be obtained.

Statement of Compliance
The accompanying financial statements have been prepared for submission with the Bureau of Internal Revenue (BIR) and the Philippine SEC in compliance with PFRS Accounting Standards.

Presentation of Financial Statements
The statements of financial position of the Company are presented in order of liquidity. An analysis regarding the recovery of assets or settlement of liabilities within twelve (12) months after the statement of financial position date (current) and more than twelve (12) months after the statement of financial position date (noncurrent) is presented in Note 35.

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 amendments effective in 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

- Amendments to PAS 21, *Lack of exchangeability*

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

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

The Company does not anticipate that the application of the amendments in the future will have an impact on the financial statements since there is no exchangeability issue for the Philippines.

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company intends to adopt the following pronouncements when they become effective

Effective beginning on or after January 1, 2026

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

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

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

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

The Company is still assessing the impact of the amendments to its financial statements.

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

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

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

  The Company is still assessing the impact of the amendments to its financial statements.

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

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

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

  The Company is still assessing the impact of the amendments to its financial statements.

- Annual Improvements to PFRS Accounting Standards—Volume 11

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

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

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

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

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

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

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

The Company is still assessing the impact of the amendments to its financial statements.

Effective beginning on or after January 1, 2027

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

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)fA simplified approach (the premium allocation approach) mainly for short-duration contractsf

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

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 9, *Financial Instruments*
  Starting 2018, the Company applies the temporary exemption from PFRS 9 as permitted by the amendments to PFRS 4 *Applying PFRS 9 Financial Instruments with PFRS 4 Insurance Contracts*. The temporary exemption permits the Company to continue applying PAS 39 rather than PFRS 9 for annual periods beginning before 1 January 2027.

  The assessment on whether a reporting entity's activities are predominantly connected with insurance is based on the liabilities connected with insurance in proportion to the entity's total liabilities.

  The predominance assessment is performed using the carrying amounts of liabilities reported on the statement of financial position at the annual reporting date after March 31, 2015 and before April 1, 2016. Applying the requirements, the Company performed the predominance assessment using the statement of financial position as of December 31, 2015 and concluded that it qualified for the temporary exemption from PFRS 9. Since December 31, 2015, there has been no change in the activities of the Company that requires reassessment of the use of the temporary exemption.

  Fair value disclosures
  The table below presents an analysis of the fair value of classes of financial assets of the Company as of December 31, 2025 and 2024, as well as the corresponding change in fair value for the year then ended. The financial assets are divided into two categories:

  - Assets for which their contractual cash flows represent solely payments of principal and interest (SPPI), excluding any financial assets that are held for trading or that are managed and whose performance is evaluated on a fair value basis; and
  - All financial assets other than those specified in SPPI above (i.e. those for which contractual cash flows do not represent SPPI, assets that are held for trading and assets that are managed and whose performance is evaluated on a fair value basis).

	2025			
	SPPI financial assets		Other financial assets	
	Fair value	Fair value change	Fair value	Fair value change
AFS financial assets				
Debt securities	**₱17,690,553,414**	**₱287,137,625**	**₱–**	**₱–**
Equity securities	–	–	**698,548,549**	**(9,959,266)**
Seed capital in variable unit-linked segregated funds	–	–	**581,219,838**	**26,721,882**
Mutual funds	–	–	**193,093,053**	**8,213,062**
FVPL financial assets				
Debt securities	–	–	**7,810,204,673**	**123,459,526**
Cash and cash equivalents	**1,737,363,225**	–	–	–
Loans and receivables - net	**937,105,679**	–	–	–
Insurance receivables	**464,552,640**	–	–	–
Accrued income	**459,509,016**	–	–	–
Segregated fund assets	–	–	**48,971,393,835**	**705,864,160**
	₱21,289,083,974	**₱287,137,625**	**₱58,254,459,948**	**₱854,299,364**

	2024			
	SPPI financial assets		Other financial assets	
	Fair value	Fair value change	Fair value	Fair value change
AFS financial assets				
Debt securities	₱16,495,718,718	(₱148,136,623)	₱–	₱–
Equity securities	–	–	693,287,333	31,040,746
Seed capital in variable unit-linked segregated funds	–	–	545,856,656	27,083,135
Mutual funds	–	–	15,351,171	1,062,333
FVPL financial assets				
Debt securities	–	–	5,886,745,147	(94,462,503)
Cash and cash equivalents	1,072,387,331	–	–	–
Loans and receivables - net	772,233,197	–	–	–
Insurance receivables	192,361,913	–	–	–
Accrued income	406,229,455	–	–	–
Segregated fund assets	–	–	42,114,575,829	1,314,334,347
	₱18,938,930,614	(₱148,136,623)	₱49,255,816,136	₱1,279,058,058

Credit risk disclosures
The following table shows the carrying amounts of the SPPI assets in accordance with PAS 39 categories by credit risk rating grades reported to key management personnel. The carrying amounts are measured in accordance with PAS 39. For assets measured at amortized cost, the carrying amount shown is before any allowance for impairment loss.

	2025					
	Credit Rating					
	Total	**AAA**	**AA/A**	**BBB**	**BB/B**	**Unrated**
AFS financial assets						
Debt securities	**₱17,690,553,414**	**₱17,690,553,414**	**₱–**	**₱–**	**₱–**	**₱–**
FVPL financial assets						
Debt securities	**7,810,204,673**	**7,810,204,673**	**–**	**–**	**–**	**–**
Cash and cash equivalents	**1,737,363,225**	**1,737,363,225**	**–**	**–**	**–**	**–**
Loans and receivables - gross	**947,363,803**	**–**	**–**	**–**	**–**	**947,363,803**
Insurance receivables	**464,552,640**	**–**	**–**	**–**	**–**	**464,552,640**
Accrued income	**459,509,016**	**459,509,016**	**–**	**–**	**–**	**–**
	₱29,109,546,771	**₱27,697,630,328**	**₱–**	**₱–**	**₱–**	**₱1,411,916,443**

	2024					
	Credit Rating					
	Total	AAA	AA/A	BBB	BB/B	Unrated
AFS financial assets						
Debt securities	₱16,495,718,718	₱16,495,718,718	₱–	₱–	₱–	₱–
FVPL financial assets						
Debt securities	5,886,745,147	5,886,745,147	–	–	–	–
Cash and cash equivalents	1,072,387,331	1,072,387,331	–	–	–	–
Loans and receivables - gross	774,949,067	–	–	–	–	774,949,067
Insurance receivables	192,361,913	–	–	–	–	192,361,913
Accrued income	406,229,455	406,229,455	–	–	–	–
	₱24,828,391,631	₱23,861,080,651	₱–	₱–	₱–	₱967,310,980

Financial assets that passed the SPPI test have low credit risk as of December 31, 2025 and 2024.

The Company shall adopt PFRS 9 concurrently with PFRS 17 for annual periods beginning January 1, 2027.

- PFRS 18, *Presentation and Disclosure in Financial Statements*
  The standard replaces PAS 1, Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:
  - Required totals, subtotals and new categories in the statement of profit or loss
  - Disclosure of management-defined performance measures
  - Guidance on aggregation and disaggregation

The Company is still assessing the impact of the amendments to its financial statements.

- PFRS 19, *Subsidiaries without Public Accountability*
  The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

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

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*
  The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

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

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

4. Summary of Material Accounting Policy Information

Product Classification

Insurance contracts are defined as those contracts under which the Company (the insurer) accepts significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholder. As a general guideline, the Company defines significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if the insurance risk becomes significant.

Insurance contracts are classified with and without a Discretionary Participation Feature (DPF). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- likely to be a significant portion of the total contractual benefits;
- whose amount or timing is contractually at the discretion of the issuer; and
- that are contractually based on the
  - performance of a specified pool of contracts or a specified type of contract,
  - realised and or unrealised investment returns on a specified pool of assets held by the issuer or
  - the profit or loss of the Company, fund or other entity that issues the contract.

For financial options and guarantees which are not closely related to the host insurance contract, bifurcation is required to measure these embedded financial derivatives separately at fair value through profit or loss. Bifurcation is not required if the embedded derivative is itself an insurance contract or when the host insurance contract itself is measured as financial assets or liabilities at FVPL. As such, the Company does not separately measure options to surrender insurance contracts for a fixed amount (or an amount based on a fixed amount and an interest rate).

Likewise, the embedded derivative in unit-linked insurance contracts linking the payments on the contract to units of an internal investment fund meets the definition of an insurance contract and is not therefore accounted for separately from the host insurance contract.

Insurance Receivables
Insurance receivables are recognized when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortized cost, using the effective interest rate (EIR). The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in profit or loss. Insurance receivables are derecognized when derecognition criteria of financial assets have been met.

Financial Instruments (including those under Segregated Fund Assets)
Date of recognition
Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial recognition of financial instruments
Financial instruments are recognized initially at fair value. Except for financial instruments at FVPL, the initial measurement of financial assets includes transaction costs. The Company classifies its financial instruments in the following categories: financial assets at FVPL, AFS financial assets, held-to-maturity (HTM) investments, loans and receivables and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of December 31, 2025 and 2024, the Company has no financial assets classified as HTM investments.

Reclassification of financial assets
A financial asset is reclassified out of the FVPL category when the following conditions are met:

- the financial asset is no longer held for the purpose of selling or repurchasing it in the near term; and
- there is a rare circumstance.

A financial asset that is reclassified out of the FVPL category is reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in profit or loss is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Financial assets or financial liabilities at FVPL
This category consists of financial assets or financial liabilities that are held for trading or designated by management as financial assets or financial liabilities at FVPL on initial recognition. Derivative instruments, except those covered by hedge accounting relationships, are classified under this category.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value, with changes in the fair value recorded in profit or loss, included under the net fair value gains or losses account. Interest earned or incurred is recorded in investment income or interest expense, respectively, while dividend income is recorded when the right of the payment has been established under the investment income account.

Financial assets or financial liabilities are classified as held-for-trading if they are entered into for the purpose of short-term profit taking.

Designated financial assets or financial liabilities at FVPL
Financial assets or financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

As of December 31, 2025 and 2024, the Company's financial assets designated at FVPL consist of private peso debts (see Note 8) and certain investments held under segregated fund such as government debt and equity securities, private peso and dollar bonds and structured notes. However, starting 2024, GEM trust funds were transferred to the Company's general fund (Note 18).

Derivative financial instruments
Derivative financial instruments are classified as held for trading unless they are designated as effective hedging instruments. Derivative financial instruments held for trading are typically entered into with the intention to settle in the near future. Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives embedded in host contracts are accounted for as separate or as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVPL. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of FVPL category.

AFS financial assets
AFS financial assets are those which are designated as such or do not qualify to be designated as financial assets at FVPL, HTM investments or loans and receivables. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. They include government debt securities and equity securities.

After initial measurement, AFS financial assets are subsequently measured at fair value. The effective yield component of AFS debt securities, as well as the impact of restatement on foreign currency-denominated AFS debt securities, is reported in earnings. Interest earned on holding AFS financial assets are reported as interest income using the EIR method. Dividends earned on holding AFS financial assets are recognized in profit or loss as investment income when the right to receive the payment has been established. The unrealized gains and losses arising from the fair valuation of AFS financial assets are reported as "Revaluation reserve on AFS financial assets" in OCI and in the equity section of the statement of financial position. The losses arising from impairment of such investments are recognized as provisions on impairment losses in profit or loss. When the security is disposed of, the cumulative gain or loss previously recognized in OCI is recognized as "Gain on sale of AFS financial assets" in statement of income.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, these investments are carried at cost, net of any impairment in value. The Company classified its investments in government debt securities, equity securities and other debt securities as AFS financial assets.

Loans and receivables
Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as AFS financial assets or financial assets at FVPL. This accounting policy relates to the following accounts: (a) “Cash and cash equivalents”, (b) “Insurance receivables”, which arise primarily from premiums due and uncollected and ceding companies and reinsurers; (c) “Loans and receivables”, (d) “Accrued income”, (e.) “Refundable deposits” under other assets and (f) “Subscription receivable” and “Investment receivable” under segregated fund assets.

After initial measurement, the loans and receivables are subsequently measured at amortized cost using the EIR method, less allowance for impairment. The amortization is included in the “Interest income” under the “Investment income” account in profit or loss. The losses arising from impairment of such loans and receivables are recognized in “Provision for impairment losses” under “General and administrative expense”.

Other financial liabilities at amortized cost
Issued financial instruments or their components that are not designated as financial liabilities at FVPL are classified as other liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both asset or liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the asset or liability component on the date of issue. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR. Any effects of restatement of foreign currency-denominated liabilities are recognized in profit or loss.

This accounting policy applies primarily to the Company’s policy and contract claims payable, policyholders’ dividends, premium deposit fund, insurance payables, accounts payable and accrued expenses and other liabilities that meet the above definition (other than liabilities covered by other accounting standards, such as pension liability and income tax payable).

Financial assets
The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the reporting periods ended December 31, 2025 and 2024, there were no transfers between level 1 and level 2 fair value movements, and no transfer into and out of level 3 fair value measurement.

Impairment of Financial Assets
The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

AFS financial assets carried at fair value
In case of equity investments classified as AFS, impairment indicators would include a significant or the prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from OCI and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in OCI.

In the case of debt instruments classified as AFS financial assets, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as part of "Interest income" in profit or loss. If, in subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

AFS financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The carrying amount of the asset is reduced through the use of an allowance account.

Loans and receivables
For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for individually assessed financial asset, whether

significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment for impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged against profit or loss. If, in a subsequent period, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. Time value is generally not considered when the effect of discounting is not material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of credit risk characteristics such as type of borrower, collateral type, past-due status and term.

Financial assets, particularly trade receivables, are written off to the extent of the amount determined by management to be uncollectible. Those with pending cases in court are recommended for write-off, subject to management's approval.

Derecognition of Financial Assets and Liabilities

Financial asset

When the Company has transferred its right 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 Company'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 Company could be required to repay.

Financial liability

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 profit or loss.

Reinsurance Transactions

The Company cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the reinsurance contract.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence as a result of an event that occurred after initial recognition that the Company may not recover outstanding amounts due under the terms of the contract and when the impact on the amounts that the Company will receive from the reinsurer can be measured reliably. The impairment loss is charged against profit or loss. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

The Company also assumes reinsurance risk in the normal course of business for life insurance contracts. Premiums and claims on assumed reinsurance are recognized 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 ceding companies. Amounts payable are estimated in a manner consistent with the associated reinsurance contract.

Premiums and claims are presented on gross basis for both direct 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.

Investments in Subsidiaries

The Company controls an investee if, and only if, the Company has:

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

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

- The contractual arrangement with the other voting shareholders of the investee
- Rights arising from other contractual arrangements
- The Company’s voting rights and potential voting rights

The investment in a subsidiary is carried at cost less any impairment in value. The Company recognizes income from the investment in subsidiaries only to the extent that the Company receives distributions from accumulated profits of the investee arising after the date of acquisition.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and any impairment in value.

The initial cost of property and equipment comprises its purchase price, including 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 charged to the statement of income in the period 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.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives (EUL) of the properties, except for leasehold improvements, which are amortized over their useful lives or terms of the lease, whichever is shorter. The EUL of the property and equipment are as follows:

	Years
Building improvements	10
Office furniture and fixtures	10
Office and electronic data processing equipment	3
Transportation equipment	3

Leasehold improvements are amortized over ten (10) years or the related lease term, whichever is shorter.

The Company's policy is to present right-of-use assets separately in the statement of financial position. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life of 10 years and lease term. Right-of-use assets are subject to impairment.

The property and equipment's residual values, estimated useful lives and depreciation and amortization method are reviewed periodically and adjusted if appropriate to ensure that the residual value, period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no further 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 original cost of the asset) is included in profit or loss in the year the asset is derecognized.

Impairment of Nonfinancial Assets

This accounting policy applies primarily to the Company's property and equipment and right-of-use assets. At each reporting date, the Company assesses whether there is any indication that its nonfinancial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Company makes a formal estimate of recoverable amount. 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, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) 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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit).

An impairment loss is charged against operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged against the revaluation increment of the said asset.

For nonfinancial assets excluding goodwill, 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 and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its estimated remaining life.

Insurance Contract Liabilities

Life insurance contract liabilities

Life insurance contact liabilities are recognized when the contracts are entered into and the premiums are recognized. The provision for life insurance contracts and riders for variable unit-linked are 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 Company 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 gain (loss) on legal policy reserves" in other comprehensive income and the changes in policies and assumptions are recorded under "Change in insurance contract liabilities" 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 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 Company'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 Company 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 Company with consideration received from the policyholders. As allowed by PFRS 4, the Company chose not to unbundle the investment portion of its unit-linked products. Premiums received 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 Company 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 Company 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. Such changes have no effect on the Company's results of operations. Management fee income earned by the Company for managing the insurance investment funds, periodic charges, 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. Reserve for unit-linked 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 effective interest rate method. This also includes provision for incurred but not reported losses.

Insurance payable and Other liabilities
These accounts include advanced or excess collections and unpaid policy related disbursements.

Policyholders' Dividends
A number of insurance contracts are participating and contain a DPF. This feature entitles the policyholder to receive, as a supplement to guaranteed benefits, annual policy dividends that are credited at each policy anniversary, as long as the policy is in force. These annual policy dividends represent a portion of the theoretical investment and underwriting gains from the pool of contracts. Policy dividends are not guaranteed and may change based on the periodic experience review of the Company. Further, in accordance with regulatory requirements, dividends payable in the following year are prudently set-up as a liability in the statement of financial position.

Local statutory regulations and the terms and conditions of these contracts set out the bases for the determination of the annual cash dividends at the time the product is priced. The Company may exercise its discretion to revise the dividend scale in consideration of the emerging actual experience on each block of participating policies. Reserve for dividends to policyholders on contracts with premium deposit fund is shown in the statement of financial position.

There is no statutory requirement as to the level of eligible surplus that may be attributed to participating policyholders. The amount distributed to individual policyholders is at the discretion of the Company, subject to the endorsement of the Chief Actuary and approval by the BOD.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain and the expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and 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 borrowing cost.

Retirement Cost
The Company has a funded, non-contributory retirement plan, administered by a trustee, covering its regular employees. Retirement cost is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement costs comprise the following:

(a) Service costs
(b) Net interest on the net defined benefit liability or asset
(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. These amounts are calculated periodically by independent qualified actuaries.

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 under “Net remeasurement on loss on defined benefit plan” in the period in which they arise. Remeasurements are not recycled to profit or loss in subsequent periods.

Equity

Capital stock

Capital stock is measured at par value for all shares issued.

Contributed surplus

Contributed surplus represents the additional contribution of the stockholders in order to comply with the requirements of the Code.

Retained earnings

Retained earnings represent the cumulative balance of net income or loss of the Company, net of any dividend distribution.

Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Company concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized within the scope of PFRS 15:

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.

Revenue outside the scope of PFRS 15

Premium income

Recurring premiums from life insurance contracts are recognized as revenue when payable by the policyholder. For single premium business, revenue is recognized on the date from which the policy is effective. For regular premium contracts, revenue is recorded at the date when payments are due.

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

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

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

Interest income
For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as AFS financial assets or financial assets at FVPL, interest income is recorded at the EIR, which 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 effective interest rate, but not future credit losses. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as interest income.

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 applied to the new carrying amount.

Dividend income
Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Benefits and Expenses
Expenses, in general, are recognized in the statement of income in the period these are incurred.

Benefits and claims
Benefits and claims consist of benefits and claims paid to policyholders, which includes excess benefit claims for unit-linked contracts, as well as changes in the valuation of insurance contract liabilities and reserve for policyholders' dividends. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

Commissions
Commissions are recognized when the insurance contracts are entered into and the related premiums are recognized.

General and administrative expenses
Expenses are recognized in the statement of income in the period these are incurred.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded using the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rates prevailing at reporting date; income and expenses are translated using the average rate for the year.

Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the year.

For income tax reporting purposes, foreign exchange gains or losses are treated as taxable income or deductible expenses, in the period these are realized.

Leases
The Company assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and ROU assets representing the right-of-use the underlying assets.

ROU assets
The Company recognizes ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities
At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because 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 (included in 'Interest expense') 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 or a change in the lease payments.

The Company's lease liabilities are presented separately in the statement of financial position.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of branch offices (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). Another exemption that can be considered is the lease of low-value assets (i.e., those with value of less than ₱250,000), however the Company has no lease contracts that would qualify under this exemption. Lease payments on short-term leases or low-value assets are recognized as expense on a straight-line basis over the lease term.

For income tax purposes, expense under operating lease arrangement is treated as deductible expense in accordance with the term of the lease agreement.

<u>Income Tax</u>
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 tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred tax
Deferred tax is provided, using the liability method, on all 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, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries and associates.

The carrying amount of deferred tax assets is reviewed at each 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity or OCI is also recognized in equity or OCI and not in profit or loss.

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

The movement in deferred tax assets and liabilities arising from changes in tax rates are charged against or credited to income for the period.

Value-Added Tax (VAT)

Revenue, expenses and assets are recognized, net of the amount of sales tax, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of VAT payable to the tax authority is included under "Accounts payable and accrued expenses" in the statement of financial position.

Events after the Reporting Date

Post year-ends event up to the audit report date that provide additional information about the Company's financial position at reporting date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS Accounting Standards requires the Company to make 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 will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management — Note 30
- Management of insurance and financial risk — Note 31

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.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

(a) *Product classification*

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

(b) *Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to those models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

(c) *Financial assets not quoted in an active market*

The Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis. Related balances are shown in Note 8.

Estimates and Assumptions

(a) *Claims liability arising from insurance contracts*

Life Insurance Contracts

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

Terms

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

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

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

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

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

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

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

- *Mortality and morbidity*
  The mortality and morbidity assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Company's actual experience.

- *Discount rates*
  Discount rates relate to the time value of money. The risk-free discount rate shall be the equivalent zero-coupon spot and forward yield of the yield curve with matching duration for durations less than or equal to 20 years. The valuation interest rate assumptions are consistent with risk free rates as provided by IC.

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

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

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

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

The carrying amounts of insurance contract liabilities are presented below:

	2025	2024
Legal policy reserves - net (Note 13)	**₱17,728,035,173**	₱15,695,879,841
Policy and contract claims payable (Note 14)	**1,966,071,519**	1,544,805,052
Policyholders' dividends (Note 15)	**499,454,733**	397,478,059
	₱20,193,561,425	₱17,638,162,952

(b) *Fair values of financial assets*

The Company carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgments. Fair value determinations for financial assets and liabilities are based generally on listed or quoted market prices. If prices are not readily determinable or if liquidating the positions is reasonably expected to affect market prices, fair value is based on either internal valuation models or management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period.

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's-length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for terms with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation.

Certain financial instruments are valued using pricing models that consider, among other factors, contractual and market prices, correlation, time value, credit risk, yield curve volatility factors and or prepayment rates of the underlying positions. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the amount of changes in fair value of these financial assets and liabilities would affect profit or loss and equity.

As of December 31, 2025, the carrying value of financial assets at FVPL in which the determination of fair value require significant estimates amounted to ₱15.29 billion for the structured notes and ₱0.34 billion private peso and dollar bonds, both under the Segregated Funds (see Note 18) and ₱7.81 billion for the private peso bonds with embedded derivatives under Financial Assets at FVPL (see Note 8).

As of December 31, 2024, the carrying value of financial assets at FVPL in which the determination of fair value require significant estimates amounted to ₱11.39 billion for the structured notes and ₱0.65 billion private peso and dollar bonds, both under the Segregated Funds (see Note 18) and ₱5.89 billion for the private peso bonds with embedded derivatives under Financial Assets at FVPL (see Note 8).

Refer to Note 18 for the segregated fund assets.

(c) *Impairment of financial assets*
The Company treats AFS equity securities as impaired when there has been a significant or prolonged decline in the fair value below cost or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Company treats 'significant' generally as 30% or more and 'prolonged' as greater than twelve (12) months. In addition, the Company evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities. Impairment may be appropriate also when there is evidence of deterioration in the financial health of the investee, the industry and sector performance, changes in technology and operational and financing cash flows. The Company recorded impairment losses on its AFS financial assets amounting to ₱39.17 million and ₱25.43 million in 2025 and 2024, respectively (see Note 8).

The Company reviews its loans and receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statement of income. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ from such assumptions depending on the age of the receivables, resulting in future changes to the allowance.

The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to age of balances, financial status of counterparties, payment behavior and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a regular basis.

In addition to specific allowance against individually significant insurance receivables and loans and receivables, the Company also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. The process of identifying impairment includes an evidence-based judgment about the ability to recover the value of the investment at some point in the future. The severity and duration of the impairment is considered. A quarterly review for impairments in financial assets classified as AFS, loans or receivables is performed for all instruments with unrealized losses at the end of the reporting period.

The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different estimates. An increase in allowance for impairment losses would increase recorded expenses and decrease net income.

As of December 31, 2025 and 2024, the allowance for impairment losses relating to loans and receivables amounted to ₱10.26 million and ₱2.72 million, respectively (see Note 8).

(d) *Deferred tax assets*
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which these can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized. These assets are periodically reviewed for realization. Periodic reviews cover the nature and amount of deferred income and expense items, expected timing when assets will be used or liabilities will be required to be reported, reliability of historical profitability of businesses expected to provide future earnings and tax planning strategies which can be utilized to increase the likelihood that tax assets will be realized.

The Company recognized net deferred tax assets of ₱277.07 million and ₱208.34 million as of December 31, 2025 and 2024, respectively (see Note 28).

(e) *Pension and other employee benefits*
The cost of defined benefit plan and the present value of the pension obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension obligation. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected term of the defined benefit obligation as of reporting date. The mortality rate is based on publicly available mortality tables in the Philippines. Future salary increases are based on expected future inflation rates. Refer to Note 27 for the details of assumptions used in the calculation.

The Company also estimates other employee benefit obligations and expenses, including costs of paid leaves based on historical leave availments of employees and subject to the Company's policy. These estimates may vary depending on the future changes in salaries and actual experiences during the year.

(f) *Leases - Estimating the incremental borrowing rate*
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR for lease liabilities is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Company estimates the IBR for lease liabilities using observable inputs (by reference to prevailing risk-free rates) adjusted to take into account the Company's credit risk (i.e., credit spread).

The Company's lease liabilities amounted to ₱72.36 million and ₱30.90 million in 2025 and 2024, respectively (see Note 33).

(g) *Estimating provision for asset restoration obligation*
The Company recognizes a provision for asset restoration when under the terms of the contract, the Company is required to restore the asset to its original state at the end of its useful life. The recognition of provision requires an estimation of the cost to restore or dismantle, on a per area basis, depending on the location, and is based on the best estimate of the expenditure required to settle the obligation at the future restoration date, discounted using a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risk specific to the liability.

The carrying amounts of the asset restoration obligation as of December 31, 2025, are disclosed in Note 33.

(i) Contingencies
In the normal course of the Company's operations, there are various outstanding contingent liabilities which are not reported in the accompanying financial statements. The Company recognizes in its books losses and liabilities incurred in the normal course of operations as these become determinable and quantifiable. In the opinion of management and its legal and tax counsels, it is not liable to and has strong position on these contingent liabilities, and if decided adversely, will not have a material effect on the Company's financial position and result of operations.

6. Cash and Cash Equivalents

This account consists of:

	2025	2024
Cash on hand		
Petty cash funds and revolving funds	**₱1,619,700**	₱1,479,700
Cash in banks		
Commercial banks and trust companies	**149,410,484**	75,294,738
Thrift and rural banks	**1,525,706**	847,377
Cash equivalents	**1,586,427,035**	996,245,216
	₱1,738,982,925	₱1,073,867,031

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods up to three months, depending on the immediate cash requirements of the Company, and earned interest that ranged from 1.85% to 4.75% in 2025 and 0.01% to 5.5% in 2024. Interest income earned from cash and cash equivalents amounted to ₱34.87 million and ₱57.73 million in 2025 and 2024, respectively (see Note 23).

7. Insurance Receivables

This account consists of:

	2025	2024
Premiums due and uncollected	**₱464,393,885**	₱192,361,913
Reinsurance recoverable on paid losses	**158,755**	–
	₱464,552,640	₱192,361,913

8. Financial Assets

The Company's financial assets are summarized by measurement categories as follow:

	2025	2024
Financial assets at FVPL	**₱7,810,204,673**	₱5,886,745,147
AFS financial assets - net	**19,163,414,854**	17,750,213,878
Loans and receivables - net	**937,105,679**	772,233,197
	₱27,910,725,206	₱24,409,192,222

Financial assets at FVPL

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

Interest income from FVPL financial assets amounted to ₱472.38 million and ₱424.27 million, in 2025 and 2024, respectively (see Note 23).

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

AFS financial assets

This account consists of:

	Cost		Fair Value	
	2025	2024	**2025**	2024
At fair value				
Government debt securities:				
Local currency	**₱14,127,658,325**	₱13,982,934,380	**₱13,961,934,853**	₱13,713,473,429
Foreign currency	**2,280,795,363**	2,452,080,253	**2,086,869,393**	2,060,122,315
Corporate debt securities:				
Local currency	**1,557,320,000**	722,052,757	**1,542,368,999**	722,122,974
Foreign currency	**100,067,500**	–	**99,380,169**	–
Equity securities:				
Common shares	**512,645,394**	521,569,380	**697,333,549**	691,925,135
Preferred shares	**–**	138,759	**–**	147,198
Seed capital in variable unit-linked segregated funds (Note 18)				
Local currency	**379,500,000**	378,000,000	**393,080,550**	381,165,000
Foreign currency	**156,381,400**	149,240,100	**188,139,288**	164,691,656
SLAMCI mutual funds				
Local currency	**192,101,104**	15,000,000	**193,093,053**	15,351,171
	19,306,469,086	18,221,015,629	**19,162,199,854**	17,748,998,878
At cost				
Equity securities- common shares	**1,215,000**	1,215,000	**1,215,000**	1,215,000
	₱19,307,684,086	₱18,222,230,629	**₱19,163,414,854**	₱17,750,213,878

The Company recognized impairment losses on AFS equity securities as follows:

	2025	2024
At January 1	**₱339,426,553**	₱313,995,828
Provision for impairment loss (Note 23)	**39,168,614**	25,430,725
At December 31	**₱378,595,167**	₱339,426,553

In 2025 and 2024, management recorded an allowance for impairment losses based on the assessment on each equity security.

In 2025, the fair values of financial assets have been determined as follows:

	Financial assets at FVPL	**AFS financial assets**	**Total**
At January 1	**₱5,886,745,147**	**₱17,750,213,878**	**₱23,636,959,025**
Additions	**1,800,000,000**	**7,693,033,090**	**9,493,033,090**
Maturities and disposals	**–**	**(6,567,886,928)**	**(6,567,886,928)**
Amortization of premium	**–**	**(73,424,701)**	**(73,424,701)**
Fair value gains (Note 23)	**123,459,526**	**312,113,303**	**435,572,829**
Foreign exchange adjustments	**–**	**49,366,212**	**49,366,212**
At December 31	**₱7,810,204,673**	**₱19,163,414,854**	**₱26,973,619,527**

In 2024, the fair values of financial assets have been determined as follows:

	Financial assets at FVPL	AFS financial assets	Total
At January 1	₱4,711,207,650	₱15,207,969,101	₱19,919,176,751
Additions	1,270,000,000	2,806,057,506	4,076,057,506
Maturities and disposals	–	(215,477,599)	(215,477,599)
Amortization of premium	–	(75,031,358)	(75,031,358)
Fair value losses (Note 23)	(94,462,503)	(88,950,409)	(183,412,912)
Foreign exchange adjustments	–	115,646,637	115,646,637
At December 31	₱5,886,745,147	₱17,750,213,878	₱23,636,959,025

Interest income from AFS financial assets amounted ₱895.06 million and ₱879.38 million, in 2025 and 2024, respectively (see Note 23).

Dividend income from AFS financial assets amounted to ₱68.21 million and ₱25.34 million in 2025 and 2024, respectively (see Note 23).

The government securities maintained at the Bureau of Treasury - Registry of Scripless Securities (BTR-Ross) amounted to nil in 2025 and ₱388.75 million in 2024. In 2025, government securities are only being maintained at the Insurance Commission. From these securities, ₱325.00 million were earmarked as non-tradable both in 2025 and 2024, pursuant to Section 203 in relation to Section 192 of the Code.

The rollforward analyses of revaluation reserve on AFS financial assets follow:

	2025	2024
At January 1	**(₱472,016,751)**	(₱404,233,054)
Fair value gains (losses)	**312,113,303**	(88,950,409)
Transferred to profit or loss (Note 23)		
Provision for impairment loss	**39,168,614**	25,430,725
Gain on sale of AFS financial assets	**(23,534,398)**	(4,264,013)
At December 31	**(₱144,269,232)**	(₱472,016,751)

"Revaluation reserve on AFS financial assets" records the difference between the amortized cost and fair value of AFS debt securities and the difference between carrying value and fair value of AFS equity securities.

Loans and receivables - net

	2025	2024
Policy loans	**₱626,414,240**	₱592,414,145
Investment receivables	**241,572,066**	93,930,673
Due from:		
Employees	**20,959,915**	20,343,499
Agents	**5,532,380**	4,228,593
Related parties (Note 32)	**78,606**	17,226,940
GEM trust fund (Note 32)	**–**	6,946,213
Held-in-trust	**21,244,766**	22,710,757
Others	**31,561,830**	17,148,247
	947,363,803	774,949,067
Less allowance for impairment losses	**10,258,124**	2,715,870
	₱937,105,679	₱772,233,197

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.

Investment receivables represent the right to receive cash or cash equivalents in the future from investment-related transactions, such as redemption of VUL securities yet to be paid.

Interest earned on policy loans amounted to ₱52.62 million and ₱64.83 million in 2025 and 2024, respectively (see Note 23).

Due from employees represents cash advances and personal loans granted to employees. These are collected through payroll deductions or through expense liquidations.

Due from agents represents advances for marketing and sales activities undertaken by agents on behalf of the Company. These are collected through deductions from the commissions due to agents.

Due from GEM trust fund pertains to amounts paid in advance by the Company on surrenders made by certain policyholders owning interests in the trust being held by GEM trust fund. This amount is non-interest bearing and due and demandable.

Held-in-trust investments refer to time deposit placements for minor beneficiaries.

Other receivables include receivable from hospital charges which represent excess in the hospital benefit limit. These are non-interest-bearing receivables which are due and demandable.

Movements in the allowance for impairment losses follow:

	2025	2024
At January 1	**₱2,715,870**	₱3,051,973
Provision for (reversal of) impairment losses (Note 26)	**7,542,254**	(336,103)
At December 31	**₱10,258,124**	₱2,715,870

9. Investments in Subsidiaries

This account consists of:

	2025	2024
Grepa Realty Holdings Corporation (GRHC)	**₱1,056,092,200**	₱1,056,092,200
Grepalife Asset Management Corporation (GAMC)	–	20,000,000
	₱1,056,092,200	₱1,076,092,200

The Company’s percentages of ownership in the shares of stock of investees follow:

	Percentage of ownership	
	2025	2024
GRHC	**51%**	51%
GAMC	–	100%

All subsidiaries were incorporated in the Philippines.

	Principal Activities	Principal Address
Grepa Realty Holdings Corporation (GRHC)	Engaged in owning and managing building units	Makati, Philippines
Grepalife Asset Management Corporation (GAMC)	Provide management and technical advice and services to mutual fund companies	Makati, Philippines

GRHC
The Company’s investment in GRHC resulted from a Deed of Exchange with Subscription Agreement (the “Deed”) executed on October 20, 2011 to transfer ownership of land, buildings and condominium to GRHC with an aggregate appraised value of ₱1.06 billion to the latter in exchange for 10,560,922 preferred shares of stock, representing 51% of the total outstanding capital stock. Subsequent to the agreements, certain properties were still being occupied by the Company as a lessee. The Company’s ownership interest over GRHC remains the same as of December 31, 2025 and 2024.

GAMC
On December 6, 2018, the BOD of GAMC approved the shortening of its corporate life until December 31, 2019. This was subsequently ratified by the shareholders on March 7, 2019. The decision is in line with the direction of the Company to focus on core business.

On February 13, 2020, the Makati City local government unit has issued the Certificate of Business Retirement to the Company. On March 11, 2020, the Company has submitted its application for business retirement with the Bureau of Internal Revenue (BIR). On December 3, 2020, the BIR advised the Company that its tax returns were end-dated in the BIR’s system effective November 20, 2020. On December 16, 2020, the Securities and Exchange Commission (SEC) approved the Company’s application to withdraw its Investment Company Adviser (ICA) license. In November 2022, the Company has filed with the SEC the application for shortening of its corporate life. In September 2024, the Company has settled the tax assessment on the final decision on disputed tax assessment from the BIR. On June 30, 2025 the Company has received the tax clearance from the BIR. On September 25, 2025 the SEC approved the amended Articles of Incorporation reflecting the shortening of the Company's corporate life. The Company's dissolution has been completed in September 2025.

GLFAC
The Company has another subsidiary named Great Life Financial Assistance Corporation (GLFAC) in which the corporate existence ended on July 31, 2013, through approval of its BOD and shareholders on December 7, 2012. GLFAC filed the tax clearance with the BIR last August 24, 2016. On October 18, 2017, GLFAC was issued a certificate of no outstanding liability by the large taxpayers' service of the BIR in relation to GLFAC's application for cessation of business. On March 9, 2018, GLFAC filed for corporate dissolution with the SEC and was approved on March 16, 2018. On March 9, 2018, GLFAC declared liquidating dividends of ₱590.87 million.

As of December 31, 2025 and 2024, remaining assets of GLFAC amounted to ₱22.00 million and ₱24.05 million, respectively.

Financial information of significant investments in subsidiaries follows:

GRHC

	2025	2024
Total assets	**₱1,927,490,664**	₱1,839,496,280
Total liabilities	**53,467,979**	42,897,981
Total revenues	**171,306,028**	173,828,903
Net income	**77,031,121**	75,791,128

GAMC

	2025	2024
Total assets	**₱78,606**	₱60,654,776
Total liabilities	**78,606**	400,222
Total revenues	**2,197,288**	3,332,850
Net income (loss)	**1,678,235**	2,654,022

10. **Accrued Income**

This account consists of:

	2025	2024
Interest	**₱459,273,107**	₱406,012,933
Dividend	**235,909**	216,522
	₱459,509,016	₱406,229,455

Interest receivable includes interest accrued arising from cash in banks, cash equivalents, AFS and FVPL debt securities, and policy loans.

Interest receivable rates from cash and cash equivalents range from 0.01% to 5.5% in 2025 and 2024. AFS debt securities have interest rates ranging from 3.00% to 11.25% and 2.63% to 11.25 in 2025 and 2024, respectively. Interest receivable rates from policy loans range from 6% to 8% in 2025 and 2024.

Dividend receivable represents dividends accrued arising from AFS equity securities.

11. Property and Equipment and Right-of-use Assets

The rollforward analyses of this account follow:

	2025					
	Building and Leasehold Improvements	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Total Property and Equipment**	**Right-of-use Assets – Building (Note 33)**	**Total – Property and Equipment and Right -of-use Assets**
Cost						
At January 1	**₱212,006,618**	**₱90,745,119**	**₱536,247,192**	**₱838,998,929**	**₱232,670,113**	**₱1,071,669,042**
Additions	**24,000,799**	**17,712,695**	**86,286,597**	**128,000,091**	**58,682,093**	**186,682,184**
Adjustments	**–**	**–**	**(1,982,231)**	**(1,982,231)**	**–**	**(1,982,231)**
Disposals	**–**	**(630,000)**	**–**	**(630,000)**	**–**	**(630,000)**
At December 31	**236,007,417**	**107,827,814**	**620,551,558**	**964,386,789**	**291,352,206**	**1,255,738,995**
Accumulated Depreciation						
At January 1	**182,984,785**	**76,504,788**	**472,346,808**	**731,836,381**	**202,845,988**	**934,682,369**
Depreciation (Note 26)	**8,068,676**	**6,302,910**	**33,363,826**	**47,735,412**	**18,490,062**	**66,225,474**
Adjustments	**–**	**–**	**(950,582)**	**(950,582)**	**–**	**(950,582)**
Disposals	**–**	**(399,000)**	**–**	**(399,000)**	**–**	**(399,000)**
At December 31	**191,053,461**	**82,408,698**	**504,760,052**	**778,222,211**	**221,336,050**	**999,558,261**
Net Book Value	**₱44,953,956**	**₱25,419,116**	**₱115,791,506**	**₱186,164,578**	**₱70,016,156**	**₱256,180,734**

	2024					
	Building and Leasehold Improvements	Transportation Equipment	Office Furniture, Fixtures and Equipment	Total Property and Equipment	Right-of-use Assets – Building (Note 33)	Total – Property and Equipment and Right -of-use Assets
Cost						
At January 1	₱212,006,618	₱82,451,840	₱491,295,062	₱785,753,520	₱216,248,962	₱1,002,002,482
Additions	–	8,293,279	44,952,130	53,245,409	16,421,151	69,666,560
At December 31	212,006,618	90,745,119	536,247,192	838,998,929	232,670,113	1,071,669,042
Accumulated Depreciation						
At January 1	174,284,506	68,521,241	444,626,613	687,432,360	190,674,414	878,106,774
Depreciation (Note 26)	8,700,279	7,768,751	27,720,195	44,189,225	12,171,574	56,360,799
Adjustments	–	214,796	–	214,796	–	214,796
At December 31	182,984,785	76,504,788	472,346,808	731,836,381	202,845,988	934,682,369
Net Book Value	₱29,021,833	₱14,240,331	₱63,900,384	₱107,162,548	₱29,824,125	₱136,986,673

Details of depreciation and amortization expense charged against operations are as follow:

	2025	2024
General and administrative expenses (Note 26)	**₱54,651,364**	₱46,228,446
Commissions and other direct expenses (Note 26)	**10,623,528**	10,132,353
	₱65,274,892	₱56,360,799

The disposal of assets in 2025 resulted to a gain of ₱1.28 million. No disposal of assets were recorded in 2024.

12. Other Assets

This account consists of:

	2025	2024
Refundable deposits	**₱50,868,054**	₱39,707,864
Creditable withholding taxes	**35,991,767**	21,380,138
Prepaid expenses	**20,083,258**	29,140,469
Input VAT	**773,686**	1,478,228
	₱107,716,765	₱91,706,699

Refundable deposits represent security and utility deposits made on lease and service agreements entered into by the Company. These are refunded upon termination of the related lease and service agreements.

Creditable withholding taxes are those withheld by the suppliers, service providers and clients of the Company. These are available for offset against income tax payable.

Prepaid expenses pertain mainly to unexpired insurance. This is used in operations within one year after the reporting period. Advances to suppliers are also included in this line item.

Input VAT pertains to the excess of input over output VAT. These are available for offset against output VAT.

13. Legal Policy Reserves

Insurance contract liabilities may be analyzed as follows:

	2025			2024		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
Ordinary life	**₱17,386,422,533**	**₱6,883,251**	**₱17,379,539,282**	₱15,538,907,544	₱6,413,738	₱15,532,493,806
Group life	**702,760,562**	**1,742,108**	**701,018,454**	480,980,070	1,570,453	479,409,617
Accident and health	**132,989,185**	**–**	**132,989,185**	108,634,575	–	108,634,575
Variable life	**(477,931,770)**	**7,579,978**	**(485,511,748)**	(417,979,692)	6,678,465	(424,658,157)
	₱17,744,240,510	**₱16,205,337**	**₱17,728,035,173**	₱15,710,542,497	₱14,662,656	₱15,695,879,841

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

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

	2025	2024
At January 1	**₱15,695,879,841**	₱13,405,176,560
Due to change in discount rates (Note 25)	**(93,575,478)**	26,769,259
Due to change in policies and assumptions	**2,125,730,810**	2,263,934,022
At December 31	**₱17,728,035,173**	₱15,695,879,841

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

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

	2025	2024
At January 1	**(₱126,044,698)**	(₱99,275,439)
Net increase (decrease) due to change in discount rate (Note 25)	**93,575,478**	(26,769,259)
At December 31	**(₱32,469,220)**	(₱126,044,698)

14. **Policy and Contract Claims Payable**

This account consists of:

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

The rollforward analyses of policy and contract claims payable follow:

	2025	2024
At January 1	**₱1,544,805,052**	₱1,476,003,441
Arising during the year (Note 25)	**8,203,043,420**	7,564,959,802
Paid during the year	**(7,781,776,953)**	(7,496,158,191)
At December 31	**₱1,966,071,519**	₱1,544,805,052

Claims payable pertain to approved but unpaid claims which are due and demandable. This account also includes incurred but not reported (IBNR) claims that already occurred but notice still has not been received by the Company, based on unreported claims reasonably estimated using the Company's historical experience. The provision for IBNR claims amounted to ₱264.08 million and ₱205.97 million as of December 31, 2025 and 2024, respectively.

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

15. **Policyholders' Dividends**

The movements in this account follow:

	2025	2024
At January 1	**₱397,478,059**	₱313,648,287
Accrual (Note 25)	**66,039,897**	51,280,018
Interest (Note 26)	**11,266,547**	9,795,662
Additions	**24,670,230**	22,754,092
At December 31	**₱499,454,733**	₱397,478,059

Policyholders' dividends pertain to due and unpaid dividends on participating policies which are in-force for three (3) or more years. Policyholders are given an option to deposit the dividends with the Company to accumulate and earn interest. Interest expense on policyholders' dividends amounted to ₱11.27 million and ₱9.80 million in 2025 and 2024, respectively (see Note 26).

16. **Premium Deposit Fund**

This account pertains to funds held for policyholders which bear interest at annual rates ranging from 2.00% to 6.00% in 2025 and 2024. Interest expense of the Company related to premium deposit fund amounted to ₱15.90 million and ₱14.18 million in 2025 and 2024, respectively (see Note 26).

17. **Insurance Payables**

This account consists of:

	2025	2024
Life insurance deposits	**₱590,160,088**	₱353,841,909
Subscriptions to variable unit-linked funds (Note 18)	**215,369,039**	69,370,667
Due to reinsurers	**9,902,910**	8,772,591
	₱815,432,037	₱431,985,167

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

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

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

18. **Segregated Funds**

This fund consists of:

	2025	2024
Net asset value of segregated funds	**₱49,552,613,673**	₱42,660,432,485
Seed capital in segregated funds (Note 8)	**(581,219,838)**	(545,856,656)
	₱48,971,393,835	₱42,114,575,829

The rollforward analysis of variable unit-linked segregated fund follows:

	2025	2024
At January 1	**₱42,114,575,829**	₱37,492,733,606
Subscriptions allocated to unit-linked funds (Note 22)	**11,499,752,183**	8,264,584,134
Investment income - net (Note 23)	**1,516,505,017**	2,283,660,710
Withdrawals and redemptions (Note 25)	**(6,159,439,194)**	(5,926,402,621)
Net change in variable unit-linked	**6,856,818,006**	4,621,842,223
At December 31	**₱48,971,393,835**	₱42,114,575,829

Subscriptions allocated to unit-linked funds represent the investment portion of variable unit-linked policies issued by the Company which were subsequently invested to unit-linked funds at the discretion of the policyholder. These amounts are presented under “Gross earned premiums on insurance contracts” in the statements of income.

Investment income – net pertains to the results of operation of unit-linked funds. These amounts are presented under “Investment income - net” in the statements of income.

Withdrawals and redemptions pertain to benefit payments to VUL policyholders taken out of unit-linked funds. These amounts are presented under “Insurance benefits and claims incurred” in the statements of income.

Investment income account consists of:

	2025	2024
Fair value gains	**₱705,864,160**	₱1,314,334,346
Interest income	**651,270,814**	435,464,762
Dividend income	**373,308,448**	714,385,648
Investment expense	**(107,875,604)**	(106,949,170)
Other investment losses	**(106,062,801)**	(73,574,876)
Investment income - net	**₱1,516,505,017**	₱2,283,660,710

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

Bond Fund
The SLG Bond Fund is one of the investment options for policyholders of Sun Grepa Power Builder 5 and 10. The fund is invested in high-quality fixed-income securities issued by the Philippine government and in high-quality corporate debt securities issued by Philippine companies.

Balanced and Opportunity Fund
These funds are designed to provide optimum returns consisting of current income and capital growth through investment in a mix of debt (bonds) and equity (stocks) securities from both domestic and foreign issuers.

Equity and Growth Fund
These funds are designed to generate long-term capital appreciation by investing in high-quality equities diversified across sectors.

Income Fund
This fund is designed to stay invested only in high-quality fixed income instruments that are classified as below average risk.

Global Asset Builder Fund ProIncome
This fund is designed to provide protection and also allows policyholders to participate in the performance of selected global investment assets.

Global Asset Builder (PriMO)
This fund is an investment-linked life insurance plan that provides protection for 7 years and enables the US dollars to benefit from global investment opportunities without the fear of losing its capital.

Peso Asset Builder
This fund is an investment-linked life insurance plan that provides protection for 7 years and enables the investment to benefit from global investment opportunities while protecting the capital.

Peso Global Growth
The fund is denominated in Philippine peso, but invests in foreign currency denominated financial assets, which may include, but are not limited to: Equity-centric mutual funds and Exchange-traded Funds (ETFs) or any other similar security; and common stocks and other equity-linked securities, such as preferred stock and convertible securities.

Peso Global Income
The fund is denominated in Philippine peso, but invests in foreign currency denominated financial assets, which may include, but are not limited to: Fixed income-centric mutual funds and ETFs or any other similar security; and Fixed income instruments issued by Philippine, United States and other foreign governments and corporations.

Peso Global Opportunity
The fund is denominated in Philippine peso, but invests in foreign currency denominated financial assets, which may include, but are not limited to: Equity-centric and Fixed income-centric mutual funds and ETFs or any other similar security; and Fixed income instruments issued by Philippine, United States and other foreign governments and corporations; and common stocks and other equity-linked securities such as preferred stock and convertible securities.

Peso Global Opportunity Payout
The fund is denominated in Philippine peso, but may invest in foreign currency denominated financial assets such as, but are not limited to: Mutual funds and ETFs, Fixed income instruments issued by the Philippines, United States and other foreign governments and corporations; Equity-linked securities or any other similar security.

Global Opportunity Payout
The fund may invest in foreign currency denominated, income-generating financial assets such as, but not limited to: Mutual funds and ETFs; Fixed income instruments issued by the Philippines, United States and other foreign governments and corporations; Equity-linked securities or any other similar security.

Dynamic Fund
This fund is an adaptive, agile and flexible fund that aims to maximize returns by taking advantage of market highs and engaging in opportunistic trades. It is designed to provide optimum returns consisting of current income and capital growth through investment in a mix of high quality fixed-income and equity instruments from domestic issuers.

Index Fund
This fund tracks the performance of the benchmark PSEi, mainly by investing in listed equities that are part of the PSEi, in such proportion that the performance of the Fund will match that of the PSEi.

Captains Fund
This fund invests in publicly-listed local firms that are among the country’s largest in terms of revenues, profits, assets and market values, there is more opportunity for upside potential earnings.

My Future Fund
This fund is a target date fund that invests primarily in high-quality stocks and a mix of government and domestic corporate debt in accordance with an asset allocation strategy that promotes capital appreciation at the onset to maximize earning potential in the earlier years and shifts to wealth preservation to reduce exposure to risk as the maturity of the fund approaches.

Growth Plus Fund
This Fund aims to maximize returns through a combination of long-term capital growth and current income by investing in a portfolio of high-quality Philippine listed equity and equity-linked securities that yield dividends.

Global Opportunity Fund
This Fund may invest in, but is not limited to, USD-denominated mutual funds, USD-denominated ETFs, and any securities similar to said funds.

Global Income Fund
This Fund is invested only in foreign currency-denominated high-quality fixed income and fixed income-linked instruments that are classified as average to below average risk.

Money Market Fund
This Fund is available in Philippine Peso and US Dollar currencies. Money Market Fund is designed to maximize yields on short to medium-term placements while ensuring adequate liquidity for the policy owners.

Global Growth Fund
The Fund is a pure equity mandate which endeavors to provide clients access to an active and concentrated suite of global equity outlets.

Opportunity Tracker Fund
The Fund provides a middle ground between equity and fixed income asset classes by utilizing an indexing strategy, which tracks the performance of the Philippine Stock Exchange Index (PSEi) and the portfolio duration of the Bloomberg Phil Sovereign Bond Index AI (BPHILR).

Peso Global Sustainability Growth Fund
The Fund is offered as a fund option exclusive to Sun Grepa Power Builder 1, Sun Grepa Power Builder 5, Sun Grepa Power Builder 10, and Sun Grepa Power Builder 100, which are investment-linked life insurance products regulated by the Insurance Commission. The Fund is denominated in Philippine Peso, but may invest in foreign currency denominated, ESG-focused financial assets, which may include, but not limited to: mutual funds and ETFs; common stocks and other equity-linked securities, such as preferred stock and convertible securities.

Peso Asset Builder (Hybrid Income)
This Fund is a peso-denominated, investment-linked life insurance product that provides protection for seven years and allows policyholders to potentially grow their money through global investment opportunities.

Opportunity Fund
This is one of the investment options for policyholders of Sun Grepa Power Builder 1, which is an insurance product regulated by the Insurance Commission. The fund is designed to provide optimum returns consisting of current income and capital growth through investment in a mix of debt (bonds) and equity (stocks) securities from both domestic and foreign users.

Peso Global Tech Payout
This fund is denominated in Philippine Peso and aims to provide cashflows from earnings generated from investments in a US Dollar-denominated target fund that primarily allocates to the technology sector.

Peso Global Tech Growth
This fund is denominated in Philippine Peso and aims to generate long-term capital appreciation from earnings generated by investing in a US Dollar-denominated target fund that primarily invests in technology sector.

Peso Asset Builder – Pro Income
This is a single-pay, Peso-denominated, life insurance product that provides protection equal at least 125% of the Single Premium and is linked to a structured investment that matures after seven (7) years.

Global Asset Builder – Pro Income
This is an investment-linked life insurance plan that provides protection for 7 years and boosts US Dollars earning power through global investment opportunities while protecting capital.

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

	2025												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Bond Fund	**₱4,473,306**	**₱688,013,569**	**–**	**₱9,193,000**	**₱65,931,951**	**–**	**₱762,292**	**₱54,477**	**₱14,131,062**	**(₱2,273,100)**	**₱780,286,557**	**(₱3,540,825)**	**₱776,745,732**
Balanced Fund	**21,920,679**	**612,123,966**	**568,597,406**	**15,282,000**	**122,115,733**	**–**	**1,706,762**	**90,071**	**12,848,053**	**(1,639,050)**	**1,353,045,620**	**(5,111,005)**	**1,347,934,615**
Equity Fund	**25,952,803**	**–**	**1,185,877,497**	**–**	**–**	**–**	**2,560,161**	**1,307,699**	**–**	**(1,556,550)**	**1,214,141,610**	**(6,490,042)**	**1,207,651,568**
Growth Fund	**11,946,758**	**–**	**697,928,274**	**–**	**–**	**–**	**(34,076)**	**897,013**	**–**	**(1,529,400)**	**709,208,569**	**(2,939,031)**	**706,269,538**
Opportunity Fund	**12,044,001**	**827,747,415**	**917,280,888**	**75,491,000**	**252,228,417**	**–**	**(166,372)**	**426,485**	**22,027,153**	**(1,708,200)**	**2,105,370,787**	**(7,837,163)**	**2,097,533,624**
Income Fund	**3,340,419**	**630,405,617**	**–**	**41,758,000**	**85,135,674**	**–**	**(1,060,785)**	**237,106**	**13,869,544**	**(2,397,600)**	**771,287,975**	**(3,384,338)**	**767,903,637**
Dynamic	**5,720,327**	**530,215,606**	**343,878,353**	**–**	**2,351,171**	**–**	**(22,030)**	**–**	**9,630,504**	**(8,803,000)**	**882,970,931**	**(3,690,794)**	**879,280,137**
Index	**41,692,069**	**–**	**4,413,303,630**	**–**	**–**	**–**	**(37,263,404)**	**–**	**2,279,500**	**(7,229,000)**	**4,412,782,795**	**(9,161,865)**	**4,403,620,930**
Captains	**21,065,825**	**–**	**1,243,766,267**	**–**	**–**	**–**	**62,686**	**–**	**951,424**	**(7,801,000)**	**1,258,045,202**	**(2,458,776)**	**1,255,586,426**
Money Market	**867,572**	**–**	**44,881,395**	**–**	**–**	**–**	**(1,021)**	**–**	**46**	**(11,503,000)**	**34,244,992**	**(21,722)**	**34,223,270**
My Future 2025	**2,026,802**	**(4,981,323)**	**–**	**–**	**4,981,323**	**–**	**(290,533)**	**–**	**6,208**	**–**	**1,742,477**	**(2,003,862)**	**(261,385)**
My Future 2030	**812,130**	**118,842,172**	**61,469,993**	**–**	**–**	**–**	**188,828**	**–**	**2,294,663**	**(9,438,000)**	**174,169,786**	**(807,806)**	**173,361,980**
My Future 2035	**2,636,536**	**24,830,230**	**50,740,964**	**–**	**–**	**–**	**66,121**	**–**	**326,821**	**(8,692,000)**	**69,908,672**	**(210,658)**	**69,698,014**
My Future 2040	**1,673,324**	**15,129,625**	**67,449,692**	**–**	**–**	**–**	**58,922**	**–**	**285,105**	**(8,632,000)**	**75,964,668**	**(212,808)**	**75,751,860**
Growth Plus Fund	**39,305,158**	**–**	**5,978,523,831**	**–**	**–**	**–**	**(64,308)**	**16,710,918**	**1,368,288**	**(10,270,000)**	**6,025,573,887**	**(24,681,164)**	**6,000,892,723**
MyFuture 2045	**1,165,763**	**8,418,352**	**39,985,800**	**–**	**(945,610)**	**–**	**(54,677)**	**–**	**193,823**	**(47,010,000)**	**1,753,451**	**(128,027)**	**1,625,424**
MyFuture 2050	**1,136,543**	**5,452,385**	**40,371,117**	**–**	**902,106**	**–**	**25,155**	**–**	**173,083**	**(46,880,000)**	**1,180,389**	**(122,270)**	**1,058,119**
MyFuture 2055	**1,149,055**	**6,345,906**	**41,211,936**	**–**	**–**	**–**	**8,956**	**–**	**172,013**	**(46,825,000)**	**2,062,866**	**(123,935)**	**1,938,931**
Global Opportunity	**21,557,680**	**–**	**1,795,087,478**	**–**	**–**	**–**	**(19,784,444)**	**–**	**–**	**(44,036,650)**	**1,752,824,064**	**(3,462,409)**	**1,749,361,655**
Global Income	**2,377,896**	**–**	**439,708,819**	**–**	**–**	**–**	**13,422**	**–**	**–**	**(26,552,504)**	**415,547,633**	**(762,381)**	**414,785,252**
Global Growth Fund	**21,867,789**	**–**	**1,772,199,050**	**–**	**–**	**–**	**(309,452)**	**–**	**–**	**(47,596,384)**	**1,746,161,003**	**(6,328,529)**	**1,739,832,474**
Global Asset Builder - PriMO	**–**	**–**	**–**	**–**	**–**	**–**	**(5,284,045)**	**–**	**–**	**–**	**(5,284,045)**	**–**	**(5,284,045)**
Peso Asset Builder - PriMO	**–**	**–**	**–**	**–**	**–**	**358,520,280**	**–**	**–**	**–**	**–**	**358,520,280**	**–**	**358,520,280**
Dollar Money Market	**817,539**	**–**	**41,151,425**	**–**	**–**	**–**	**(139)**	**–**	**–**	**(32,096,401)**	**9,872,424**	**(2,198,071)**	**7,674,353**
Opportunity Tracker	**7,117,762**	**178,900,940**	**97,891,598**	**–**	**–**	**–**	**285,629**	**–**	**2,490,147**	**(1,558,050)**	**285,128,026**	**(1,048,909)**	**284,079,117**
Peso Global Growth	**3,244,543**	**–**	**356,224,989**	**–**	**–**	**–**	**1,088,850**	**4,303,443**	**–**	**(34,147,500)**	**330,714,325**	**(1,648,625)**	**329,065,700**
Peso Global Income	**602,644**	**–**	**45,692,975**	**–**	**–**	**–**	**199,289**	**–**	**–**	**(25,292,500)**	**21,202,408**	**(90,507)**	**21,111,901**
Peso Global Opportunity	**4,822,219**	**–**	**172,866,621**	**–**	**–**	**–**	**707,736**	**–**	**–**	**(31,497,500)**	**146,899,076**	**(828,399)**	**146,070,677**
Global Opportunity Payout	**26,397,820**	**–**	**2,522,242,502**	**–**	**–**	**–**	**1,133,522**	**–**	**4,623,941**	**(27,881,157)**	**2,526,516,628**	**(5,224,228)**	**2,521,292,400**
Peso Global Opportunity Payout	**7,271,155**	**–**	**450,439,561**	**–**	**–**	**–**	**20,648,816**	**–**	**816,649**	**(28,787,500)**	**450,388,681**	**(959,603)**	**449,429,078**
Peso Global Sustainability Growth Fund	**1,390,104**	**–**	**45,262,512**	**–**	**–**	**–**	**109,648**	**–**	**–**	**(33,640,000)**	**13,122,264**	**(150,177)**	**12,972,087**
Peso Asset Builder - Hybrid Income	**–**	**–**	**–**	**–**	**–**	**2,440,152,840**	**85,300**	**–**	**–**	**(1,059,600)**	**2,439,178,540**	**–**	**2,439,178,540**
Peso Asset Builder - Hybrid Income 2	**–**	**–**	**–**	**–**	**–**	**1,260,498,240**	**178,050**	**–**	**–**	**(1,065,600)**	**1,259,610,690**	**–**	**1,259,610,690**
Peso Asset Builder - Hybrid Income 3	**–**	**–**	**–**	**–**	**–**	**882,734,820**	**98,750**	**–**	**–**	**(1,063,600)**	**881,769,970**	**–**	**881,769,970**
Peso Asset Builder - ProIncome	**–**	**–**	**–**	**–**	**–**	**718,068,939**	**3,550**	**–**	**–**	**(902,200)**	**717,170,289**	**–**	**717,170,289**
Peso Asset Builder – ProIncome 2	**–**	**–**	**–**	**–**	**–**	**676,439,282**	**(176,800)**	**–**	**–**	**(905,400)**	**675,357,082**	**–**	**675,357,082**
Peso Asset Builder – ProIncome 3	**–**	**–**	**–**	**–**	**–**	**604,552,375**	**-**	**–**	**–**	**(911,500)**	**603,640,875**	**–**	**603,640,875**

(Forward)

	2025												
	Cash and cash equivalents	**Government debt securities**	**Equity securities**	**Corporate loans**	**Private peso and dollar bonds**	**Structured notes**	**Subscriptions receivable (payable) (Note 17)**	**Investment receivable**	**Accrued income**	**Seed capital**	**Total Assets**	**Accounts payable and accrued expenses**	**Net Assets**
Peso Asset Builder – ProIncome 4	–	–	–	–	–	**539,191,208**	**(7,205,820)**	–	–	**(911,700)**	**531,073,688**	–	**531,073,688**
Peso Asset Builder – ProIncome 5	–	–	–	–	–	**539,672,760**	**(2,870,200)**	–	–	**(908,500)**	**535,894,060**	–	**535,894,060**
Peso Asset Builder – ProIncome 6	–	–	–	–	–	**781,699,750**	**(8,387,800)**	–	–	**(985,700)**	**772,326,250**	–	**772,326,250**
Peso Asset Builder – ProIncome 7	–	–	–	–	–	**919,949,745**	**(208,000)**	–	–	**(919,400)**	**918,822,345**	–	**918,822,345**
Peso Asset Builder – ProIncome 1 (Nomura)	–	–	–	–	–	**1,114,686,150**	**(482,300)**	–	–	**(995,700)**	**1,113,208,150**	–	**1,113,208,150**
Peso Asset Builder – ProIncome 1 (MS)	–	–	–	–	–	**1,003,525,950**	**233,413**	–	–	**(958,000)**	**1,002,801,363**	–	**1,002,801,363**
Global Asset Builder – ProIncome	–	–	–	–	–	**961,073,170**	**(1,690,377)**	–	–	**(1,157,222)**	**958,225,571**	–	**958,225,571**
Global Asset Builder – ProIncome 2	–	–	–	–	–	**491,458,039**	**(227,811)**	–	–	**(1,201,903)**	**490,028,325**	–	**490,028,325**
Global Asset Builder – ProIncome 3	–	–	–	–	–	**260,518,773**	**(237,570)**	–	–	**(1,197,788)**	**259,083,415**	–	**259,083,415**
Global Asset Builder – ProIncome 4	–	–	–	–	–	**673,145,782**	**2,219,340**	–	–	**(1,123,712)**	**674,241,410**	–	**674,241,410**
Global Asset Builder – ProIncome ING	–	–	–	–	–	**490,169,797**	**(4,901,722)**	–	–	**(1,117,833)**	**484,150,242**	–	**484,150,242**
Global Asset Builder – ProIncome 2 ING	–	–	–	–	–	**572,347,387**	**(5,142,755)**	–	–	**(1,145,817)**	**566,058,815**	–	**566,058,815**
Peso Global Tech Payout Fund	**271,215,080**	–	**4,163,438,115**	–	–	–	**175,649,542**	–	–	**(1,150,800)**	**4,609,151,937**	**(171,850,762)**	**4,437,301,175**
Peso Global Tech Growth Fund	**8,709,785**	–	**381,472,413**	–	–	–	**5,085,981**	–	–	**(1,232,900)**	**394,035,279**	**(4,089,195)**	**389,946,084**
Global Tech Payout Fund	**88,436,887**	–	**1,252,190,264**	–	–	–	**93,147,531**	–	–	**(1,481,743)**	**1,432,292,939**	**(59,354,529)**	**1,372,938,410**
Global Tech Growth Fund	**837,926**	–	**54,858,794**	–	–	–	**4,907,228**	–	–	**(1,550,174)**	**59,053,774**	**(212,760)**	**58,841,014**
	₱665,595,899	**₱3,641,444,460**	**₱29,285,994,159**	**₱141,724,000**	**₱532,700,765**	**₱15,288,405,287**	**₱215,369,039**	**₱24,027,212**	**₱88,488,027**	**(₱581,219,838)**	**₱49,302,529,010**	**(₱331,135,175)**	**₱48,971,393,835**

	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	₱9,708,000	₱98,116,672	₱–	₱935,339	₱42,418	₱7,939,879	(₱2,191,200)	₱552,039,898	(₱2,057,101)	₱549,982,797
Balanced Fund	31,849,753	459,653,976	748,635,686	16,056,000	132,926,376	–	4,223,435	70,426	10,251,636	(1,680,000)	1,401,987,288	(5,356,801)	1,396,630,487
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	81,636,000	278,997,081	–	10,510,251	(289,183)	21,046,841	(1,750,500)	2,523,632,149	(7,233,571)	2,516,398,578
Income Fund	17,209,946	535,424,785	3,829,326	45,256,000	140,261,365	–	(1,061)	176,671	11,651,454	(2,318,250)	751,490,236	(2,902,875)	748,587,361
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
(Forward)													
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)	9,465,521	(17,172)	9,448,349
Opportunity Tracker	8,209,384	133,864,633	187,233,236	–	–	–	1,312,228	–	1,663,050	(1,585,200)	330,697,331	(893,473)	329,803,858
Peso Global Growth	23,995,774	-	283,217,990	–	–	–	75,632	–	-	(29,170,000)	278,119,396	(20,340,710)	257,778,686
Peso Global Income	1,072,213	956,169	36,902,279	–	–	–	43,442	–	5,063	(23,607,500)	15,371,666	(94,666)	15,277,000
Peso Global Opportunity	3,169,179	1,020,034	113,777,816	–	–	–	54,353	–	13,864	(27,765,000)	90,270,246	(232,797)	90,037,449
Global Opportunity Payout	30,686,300	–	2,309,564,056	–	–	–	33,998,999	–	1,836,534	(25,547,244)	2,350,538,643	(4,131,919)	2,346,406,726
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	–	–	–	–	–	249,744,859	(203,673)	–	–	(1,137,926)	248,403,260	–	248,403,260
Peso Asset Builder - ProIncome	–	–	–	–	–	708,168,000	3,550	–	–	(885,200)	707,286,350	–	707,286,350

(*Forward*)

	2024												
	Cash and cash equivalents	Government debt securities	Equity securities	Corporate loans	Private peso and dollar bonds	Structured notes	Subscriptions receivable (payable) (Note 17)	Investment receivable	Accrued income	Seed capital	Total Assets	Accounts payable and accrued expenses	Net Assets
Global Asset Builder - ProIncome 2	₱–	₱–	₱–	₱–	₱–	₱471,208,262	(₱224,149)	₱–	₱–	(₱1,142,323)	₱469,841,790	₱–	₱469,841,790
Peso Asset Builder - ProIncome 2	–	–	–	–	–	692,298,440	(2,046,166)	–	–	(901,900)	689,350,374	–	689,350,374
Peso Asset Builder - ProIncome 3	–	–	–	–	–	612,351,600	(493,300)	–	–	(910,500)	610,947,800	–	610,947,800
Peso Asset Builder - ProIncome 5	–	–	–	–	–	542,789,840	(3,326,739)	–	–	(906,100)	538,557,001	–	538,557,001
Peso Asset Builder - ProIncome 4	–	–	–	–	–	541,776,000	(5,357,920)	–	–	(902,900)	535,515,180	–	535,515,180
Peso Global Tech Payout	36,910,728	–	421,540,879	–	–	–	46,416,498	–	–	(1,053,700)	503,814,405	(584,593)	503,229,812
Peso Global Tech Growth	2,994,060	–	22,941,622	–	–	–	1,180,616	–	–	(1,053,700)	26,062,598	(35,533)	26,027,065
Global Asset Builder - ProIncome 4	–	–	–	–	–	467,897,909	(4,822,931)	–	–	(1,060,993)	462,013,985	–	462,013,985
Peso Asset Builder - ProIncome 6	–	–	–	–	–	780,174,000	(24,026,400)	–	–	(974,000)	755,173,600	–	755,173,600
	₱529,599,725	₱3,318,519,474	₱26,575,942,450	₱152,656,000	₱650,301,494	₱11,390,197,374	₱69,370,667	₱4,767,087	₱78,731,016	(₱545,856,656)	₱42,224,228,631	(₱109,652,802)	₱42,114,575,829

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

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

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

Corporate loans
This consists of unquoted corporate loans which are carried at amortized cost.

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/payable 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.

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

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.

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

	2025			
	Level 1	Level 2	Level 3	Total
Segregated fund assets				
Equity securities	**₱29,285,994,159**	**₱–**	**₱–**	**₱29,285,994,159**
Government debt securities	–	**3,646,425,783**	–	**3,646,425,783**
Structured notes	–	–	**15,288,405,288**	**15,288,405,288**
Corporate loans	–	–	**141,724,000**	**141,724,000**
Private peso and dollar bonds	–	**333,393,913**	–	**333,393,913**
	₱29,285,994,158	**₱3,979,819,696**	**₱15,430,129,288**	**₱48,695,943,143**

	2024			
	Level 1	Level 2	Level 3	Total
Segregated fund assets				
Equity securities	₱26,575,942,450	₱–	₱–	₱26,575,942,450
Government debt securities	728,897,826	2,589,621,648	–	3,318,519,474
Structured notes	–	–	11,390,197,374	11,390,197,374
Corporate loans	–	–	152,656,000	152,656,000
Private peso and dollar bonds	–	650,301,494	–	650,301,494
	₱27,304,840,276	₱3,239,923,142	₱11,542,853,374	₱42,087,616,792

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

1. Sun Grepa Peso Asset Builder - PriMO

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

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

2. Sun Grepa Peso Asset Builder - Hybrid Income 1

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

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

3. Sun Grepa Peso Asset Builder – Hybrid Income 2

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

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

4. Sun Grepa Peso Asset Builder – Hybrid Income 3

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

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

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

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

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

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

Bloomberg ISIN	XS2762688724			
Maturity	10-May-31			
Valuation Date	31-Dec-25			
Note Provider	Nomura			
Remaining Time to Maturity	4.42	*Duration since bond is not zero coupon*		
Coupon	6.80%			
Fixed Income Value	98.11%			
	Scenario 1	**Scenario 2**	**Scenario 3**	
Current Value	98.11%	98.11%	98.11%	
PHP NDS	-2.35%	-0.54%	-0.19%	
ROP CDS	-5.70%	-4.18%	-2.22%	
Nomura CDS	90.06%	93.38%	95.70%	
Fixed Income Level	98.11%	98.11%	98.11%	
MTM Level	**90.06%**	**93.38%**	**95.70%**	

7. Sun Grepa Global Asset Builder (ProIncome 3)

Bloomberg ISIN	XS2762770225		
Maturity	30-May-31		
Valuation Date	31-Dec-25		
Note Provider	Nomura		
Remaining Time to Maturity	4.48	*Duration since bond is not zero coupon*	
Coupon	6.80		
Fixed Income Value	98.16%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	98.16%	98.16%	98.16%
ROP CDS	-2.38%	-0.55%	-0.19%
Nomura CDS	-5.77%	-4.24%	-2.25%
Fixed Income Level	90.01%	93.37%	95.72%
Current Value	98.16%	98.16%	98.16%
MTM Level	**90.01%**	**93.37%**	**95.72%**

8. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2596306493		
Maturity	26-Mar-31		
Valuation Date	31-Dec-25		
Note Provider	ING		
Remaining Time to Maturity	4.27	*Duration since bond is not zero coupon*	
Coupon	6.90		
Fixed Income Value	91.26%		
	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	91.26%	91.26%	91.26%
PHP NDS	-4.03%	-2.56%	-2.22%
ROP CDS	-2.27%	-0.52%	-0.18%
ING CDS	-4.80%	-3.78%	-1.80%
Fixed Income Level	80.16%	84.40%	87.06%
MTM Level	**80.16%**	**84.40%**	**87.06%**

9. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2647239495	
Maturity	30-Apr-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.38	*Duration since bond is not zero coupon*
Coupon	6.90	
Fixed Income Value	90.60%	

	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	90.60%	90.60%	90.60%
PHP NDS	-4.13%	-2.63%	-2.27%
ROP CDS	-2.33%	-0.54%	-0.19%
ING CDS	-4.93%	-3.87%	-1.85%
Fixed Income Level	79.21%	83.56%	86.29%
MTM Level	**79.21%**	**83.56%**	**86.29%**

10. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831036764	
Maturity	30-Jun-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.53	*Duration since bond is not zero coupon*
Coupon	7.10	
Fixed Income Value	92.09%	

	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	92.09%	92.09%	92.09%
PHP NDS	-4.27%	-2.72%	-2.35%
ROP CDS	-2.41%	-0.55%	-0.19%
ING CDS	-5.09%	-4.00%	-1.91%
Fixed Income Level	80.32%	84.81%	87.64%
MTM Level	**80.32%**	**84.81%**	**87.64%**

11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831035790	
Maturity	17-Jul-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.57	*Duration since bond is not zero coupon*
Coupon	7.10	
Fixed Income Value	91.33%	

	Scenario 1	**Scenario 2**	**Scenario 3**
Current Value	91.33%	91.33%	91.33%
PHP NDS	-4.31%	-2.74%	-2.37%
ROP CDS	-2.43%	-0.56%	-0.20%
ING CDS	-5.14%	-4.04%	-1.93%
Fixed Income Level	79.46%	83.99%	86.84%
MTM Level	**79.46%**	**83.99%**	**86.84%**

12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470	
Maturity	6-Sep-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.68	*Duration since bond is not zero coupon*
Coupon	7.10	
Fixed Income Value	91.46%	

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.46%	91.46%	91.46%
PHP NDS	-4.41%	-2.81%	-2.43%
ROP CDS	-2.49%	-0.57%	-0.20%
ING CDS	-5.26%	-4.14%	-1.97%
Fixed Income Level	79.29%	83.94%	86.86%
MTM Level	**79.29%**	**83.94%**	**86.86%**

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911651334	
Maturity	20-Dec-31	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.75	*Duration since bond is not zero coupon*
Coupon	7.10	
Fixed Income Value	92.25%	

	Scenario 1	Scenario 2	Scenario 3
Current Value	92.25%	92.25%	92.25%
PHP NDS	-4.48%	-2.85%	-2.46%
ROP CDS	-2.53%	-0.58%	-0.20%
ING CDS	-5.34%	-4.20%	-2.00%
Fixed Income Level	79.90%	84.61%	87.58%
MTM Level	**79.90%**	**84.61%**	**87.58%**

14. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2911646417	
Maturity	18-Feb-32	
Valuation Date	31-Dec-25	
Note Provider	ING	
Remaining Time to Maturity	4.79	*Duration since bond is not zero coupon*
Coupon	7.10	
Fixed Income Value	91.71%	

	Scenario 1	Scenario 2	Scenario 3
Current Value	91.71%	91.71%	91.71%
PHP NDS	-4.51%	-2.87%	-2.48%
ROP CDS	-2.54%	-0.59%	-0.20%
ING CDS	-5.38%	-4.23%	-2.02%
Fixed Income Level	79.27%	84.02%	87.01%
MTM Level	**79.27%**	**84.02%**	**87.01%**

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

1. Sun Grepa Peso Asset Builder - PriMO

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

2. Sun Grepa Global Asset Builder - PriMO

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

3. Sun Grepa Peso Asset Builder – Hybrid Income 1

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

4. Sun Grepa Peso Asset Builder – Hybrid Income 2

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

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

5. Sun Grepa Peso Asset Builder – Hybrid Income 3

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

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

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

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

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

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

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

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

8. Sun Grepa Global Asset Builder (ProIncome 3)

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

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

9. Sun Grepa Peso Asset Builder (ProIncome)

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

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

10. Sun Grepa Peso Asset Builder (ProIncome)

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

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

11. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831036764		
Maturity	30-Jun-31		
Valuation Date	30-Dec-24		
Note Provider	ING		
Remaining Time to Maturity	5.22	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	90.01%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	90.01%	90.01%	90.01%
PHP NDS	-5.48%	-1.23%	-3.09%
ROP CDS	-0.99%	-0.04%	-0.05%
ING CDS	-5.76%	-0.42%	-0.79%
Fixed Income Level	77.78%	88.32%	86.07%
MTM Level	77.78%	88.32%	86.07%

12. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831035790		
Maturity	17-Jul-31		
Valuation Date	30-Dec-24		
Note Provider	ING		
Remaining Time to Maturity	5.26	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	89.03%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	89.03%	89.03%	89.03%
PHP NDS	-5.52%	-1.24%	-3.12%
ROP CDS	-1.00%	-0.04%	-0.05%
ING CDS	-5.80%	-0.43%	-0.79%
Fixed Income Level	76.71%	87.33%	85.07%
MTM Level	76.71%	87.33%	85.07%

13. Sun Grepa Peso Asset Builder (ProIncome)

Bloomberg ISIN	XS2831034470		
Maturity	6-Sep-31		
Valuation Date	30-Dec-24		
Note Provider	ING		
Remaining Time to Maturity	5.36	*Duration since bond is not zero coupon*	
Coupon	7.10		
Fixed Income Value	90.02%		
	Scenario 1	Scenario 2	Scenario 3
Current Value	90.02%	90.02%	90.02%
PHP NDS	-5.63%	-1.26%	-3.18%
ROP CDS	-1.02%	-0.04%	-0.05%
ING CDS	-5.92%	-0.43%	-0.81%
Fixed Income Level	77.45%	88.28%	85.98%
MTM Level	77.45%	88.28%	85.98%

The rollforward analysis of structured notes follows:

	Structured notes - Goldman Sachs / Nomura	
	2025	2024
Beginning balance	**₱11,390,227,456**	₱6,276,995,518
Purchases	**3,059,347,305**	5,855,853,700
Disposals/maturities	**(149,855,000)**	(195,710,270)
Fair value gains (losses)	**988,685,527**	(546,911,492)
Ending balance	**₱15,288,405,288**	₱11,390,227,456

GEM Trust Fund

On February 24, 2015, a supplemental Investment Management Agreement (IMA) was entered into by the Company and RCBC, as investment manager of the GEM trust fund portfolio, with legal title to the GEM trust fund in the name of the Company. On September 4, 2024, the Board of Directors approved the liquidation of the GEM Trust Funds. The trust funds were closed and transferred to the Company's general fund in October 2024.

GEM trust fund is being managed by the Company and held under trust with RCBC.

Due from general fund is the amount due from GEM trust fund recorded under “Loans and receivables” account representing amounts paid in advance by the Company on surrenders made by certain policyholders owning interests in the GEM trust.

19. Accounts Payable and Accrued Expenses

This account consists of:

	2025	2024
Accounts payable and accrued expenses	**₱667,152,360**	₱530,019,561
Due to related parties (Note 32)	**149,727,145**	148,009,304
Taxes payable	**101,939,056**	68,133,524
	₱918,818,561	₱746,162,389

Accrued expenses pertain mainly to employee incentives and bonuses computed based on current salary and length of service. These amounts are due to be paid within one year after the reporting date.

Taxes payable consist mainly of premium taxes and documentary stamp taxes on insurance policies, withholding taxes from employees’ compensation and purchases from suppliers which are subsequently remitted within one month after the reporting date.

Accounts payable consist mainly of unpaid commissions, supplies, utilities, professional fees, repairs and maintenance, and security services which are due and demandable.

20. **Capital Stock**

As of December 31, 2025, and 2024, the Company's capital stock consists of the following:

Common shares - ₱10 par value	
Authorized - 78,000,000 shares	₱780,000,000
Issued and outstanding - 35,000,000 shares	350,000,000

21. **Retained Earnings**

On September 4, 2025, additional dividends were declared amounting to ₱300.00 million equivalent to ₱8.57 per share in favor of the stockholders of record as of June 30, 2025. The dividend was paid on October 28, 2025.

On April 7, 2025, the Company declared cash dividend amounting to ₱520.00 million equivalent to ₱14.86 per share in favor of the stockholders of record as of December 31, 2024. The dividend was paid on May 7, 2025.

On March 5, 2024, the Company declared cash dividend amounting to ₱420.00 million equivalent to ₱10.00 per share in favor of the stockholders of record as of December 31, 2023. The dividend was paid on May 2, 2024.

The retained earnings available for dividend declaration amounted to ₱7.38 billion and ₱6.84 billion as of December 31, 2025 and 2024, respectively.

Under IC Circular Letter 2016-66, for traditional life insurance policy where the calculation based on the gross premium valuation results in a negative reserve, the Company shall appropriate from the unassigned surplus an amount equal to the aggregate of the negative reserves calculated on a per policy basis. The total amount of negative reserves is ₱1.49 billion and ₱1.18 billion as of December 31, 2025 and 2024, respectively. The appropriated surplus on account of the negative reserves are not available for dividend declaration. As per Board Resolution dated March 10, 2021, the BOD delegated / authorized the President or the Treasurer to make annual appropriation of retained earnings on account of negative reserves. The appropriation for December 31, 2025 negative reserves was approved by the Treasurer on March 11, 2026 while the negative reserves as of December 31, 2024 was approved on February 6, 2025. The total amount appropriated for December 31, 2025 and December 31, 2024 are ₱0.31 billion and ₱0.10 billion, respectively.

22. **Net Insurance Premiums**

Gross earned premiums on insurance contracts:

	2025	2024
Variable life (Note 18)	**₱11,499,752,183**	₱8,264,584,134
Ordinary life insurance	**3,996,542,139**	3,838,104,627
Group life insurance	**3,122,990,230**	2,422,156,531
Reinsurance assumed	**290,688**	278,906
	₱18,619,575,240	₱14,525,124,198

Reinsurers' share of gross premiums on insurance contracts:

	2025	2024
Ordinary life insurance	**(₱30,909,996)**	₱27,365,305
Group life insurance	**(4,809,113)**	4,824,529
	(₱35,719,109)	₱32,189,834

23. **Investment Income -** net

Investment income - net account consists of:

	2025	2024
Interest income on:		
AFS financial assets (Note 8)	**₱895,055,109**	₱879,378,080
FVPL financial assets (Note 8)	**472,380,897**	424,274,051
Policy loans (Note 8)	**52,618,585**	64,828,830
Cash and cash equivalents (Note 6)	**34,874,465**	57,730,539
	1,454,929,056	1,426,211,500
Fair value gains (losses) on financial assets at FVPL (Note 8)	**123,459,526**	(94,462,503)
Gain on sale of AFS financial assets (Note 8)	**23,534,398**	4,264,013
Dividend income (Note 8)	**68,205,752**	25,343,239
Impairment loss on AFS financial assets (Note 8)	**(39,168,614)**	(25,430,725)
General fund	**1,630,960,118**	1,335,925,524
Segregated funds (Note 18)	**1,516,505,017**	2,283,660,710
Total	**₱3,147,465,135**	₱3,619,586,234

24. **Fee Income**

This account consists of:

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

Management fees represent charges to variable unit-linked funds for management services rendered by the Company. The Company charges management fees of 1.0% to 2.25% of assets under management.

Periodic charges are fees collected for the maintenance and administration of the VUL policies.

Cost of insurance are the cost of the life insurance component of VUL policies.

Policy administration fees represent charges collected by the Company for surrenders, policy reinstatement, amendments and other modifications requested by policyholders.

25. Net Insurance Benefits and Claims Incurred

This account consists of:

	2025	2024
Claims	**₱904,842,903**	₱847,449,102
Maturities and surrenders	**990,514,351**	674,905,475
Experience refunds	**82,207,075**	64,922,586
Policyholders' dividends (Note 15)	**66,039,897**	51,280,018
General fund	**2,043,604,226**	1,638,557,181
Segregated funds (Note 18)	**6,159,439,194**	5,926,402,621
Insurance contract benefits and claims incurred (Note 14)	**8,203,043,420**	7,564,959,802
Reinsurers' share	**(10,314,393)**	(6,720,447)
	₱8,192,729,027	₱7,558,239,355

Gross insurance contract benefits and claims incurred arise from:

	2025	2024
Group life insurance	**₱1,349,895,755**	₱941,650,412
Ordinary life insurance	**693,708,471**	696,906,769
	₱2,043,604,226	₱1,638,557,181

Reinsurers' share of gross insurance contract benefits and claims incurred arise from:

	2025	2024
Ordinary life insurance	**₱10,051,893**	₱6,880,447
Group life insurance	**262,500**	(160,000)
	₱10,314,393	₱6,720,447

The changes in legal policy reserves follow:

	2025		
	Gross change in legal policy reserves	**Reinsurers' share of change in legal policy reserves**	**Net**
Ordinary life insurance	**₱1,847,514,990**	**₱469,513**	**₱1,847,045,477**
Group life insurance	**221,780,492**	**171,655**	**221,608,837**
Accident and health	**24,354,609**	**–**	**24,354,609**
Variable unit-linked policies	**(59,952,078)**	**901,513**	**(60,853,591)**
Sub-total	**2,033,698,013**	**1,542,681**	**2,032,155,332**
Net increase due to change in discount rate (Note 13)	**93,575,478**	**–**	**93,575,478**
	₱2,127,273,491	**₱1,542,681**	**₱2,125,730,810**

	2024		
	Gross change 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)
	₱2,265,504,881	₱1,570,859	₱2,263,934,022

26. **Expenses**

Commissions and other direct expenses consist of:

	2025	2024
Commissions	**₱2,109,512,224**	₱1,738,273,557
Salaries, wages and benefits (Note 27)	**333,166,849**	303,983,074
Trainings, conventions and meetings	**114,994,064**	105,320,302
Contracted services (Note 32)	**99,839,590**	82,705,133
Rent	**31,292,675**	28,264,214
Access card fees	**16,049,180**	–
Depreciation and amortization (Note 11)	**10,623,528**	10,132,353
Office supplies	**4,738,510**	5,948,799
Others	**9,817,033**	3,818,497
	₱2,730,033,653	₱2,278,445,929

General and administrative expenses consist of:

	2025	2024
Contracted services (Note 32)	**₱384,757,809**	₱347,126,583
Salaries, wages and benefits (Note 27)	**291,361,838**	283,650,119
Trainings, conventions and meetings	**79,936,697**	76,293,756
EDP expenses	**67,473,576**	131,529,702
Rent	**56,897,922**	46,914,795
Depreciation and amortization (Note 11)	**54,651,364**	46,228,446
Taxes and licenses	**45,883,920**	38,397,827
Professional fees	**38,232,904**	34,661,682
Office supplies	**31,654,054**	30,934,011
Communication	**22,797,628**	16,364,308
Transportation and travel	**21,125,773**	16,170,787
Bank fees	**11,671,083**	10,740,998
Advertising	**8,796,383**	22,416,171
Provision for/(reversal of) impairment losses on loans and receivables (Note 8)	**7,542,254**	(336,103)

(*Forward*)

	2025	2024
Entertainment, amusement, and recreation	**₱5,458,531**	₱5,790,861
Insurance cost	**4,682,373**	987,277
Repairs and maintenance	**3,931,757**	3,514,537
Donation and dues	**3,817,522**	7,020,128
Utilities	–	3,190,583
Others	**80,417,230**	18,927,815
	₱1,221,090,618	₱1,140,524,283

Interest expense arises from:

	2025	2024
Premium deposit fund (Note 16)	**₱15,903,185**	₱14,181,031
Policyholders' dividends (Note 15)	**11,266,547**	9,795,662
Lease liabilities (Note 33)	**2,663,645**	1,694,017
Asset retirement obligation (Note 33)	**139,887**	129,667
	₱29,973,264	₱25,800,377

27. **Employee Benefits**

The Company has a funded, noncontributory, tax-qualified defined benefit pension plan covering substantially all of its regular employees. The benefits are based on current salaries and years of service and compensation on the last year of employment.

The funds are administered by Rizal Commercial Banking Corporation (RCBC), an affiliated local bank, under the supervision of the Board of Trustees of the plan. The Board of Trustees is responsible for investment of the assets. It defines the investment strategy as often as necessary, at least annually, especially in the case of significant market developments or changes to the structure of the plan participants. When defining the investment strategy, it takes account of the plans' objectives, benefit obligations and risk capacity. The investment strategy is defined in the form of a long-term target structure (investment policy). The Board of Trustees delegates the implementation of the investment policy in accordance with the investment strategy as well as various principles and objectives to a Pension Investment Committee, which consists of a bank representative, a Chief Investment Officer and a Chief Financial Officer.

The rollforward analyses of actuarial losses on retirement benefit plan recognized in other comprehensive income follow:

	2025	2024
At January 1	**(₱116,835,900)**	(₱104,089,875)
Actuarial (gains) losses on:		
Experience adjustments	**(3,996,200)**	14,473,500
Change in financial assumptions changes	–	5,810,700
Actuarial (gains) losses during the period	**(3,996,200)**	20,284,200
Return on plan assets (excluding amount included in net interest cost)	**258,400**	(3,289,500)
Deferred tax impact	**934,450**	(4,248,675)
Remeasurement effects recognized in OCI	**(2,803,350)**	12,746,025
At December 31	**(₱114,032,550)**	(₱116,835,900)

Changes in net pension liability follow:

2025

	At January 1	Net benefit cost in statement of income: Current service cost	Net benefit cost in statement of income: Net interest	Net benefit cost in statement of income: Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets (excluding amount included in net interest)	Remeasurements in other comprehensive income: Actuarial changes arising from experiences and changes in financial assumptions	Remeasurements in other comprehensive income: Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	**313,172,900**	**28,967,000**	**17,964,600**	**46,931,600**	**(27,684,400)**	**₱–**	**(₱3,996,200)**	**(3,996,200)**	**₱–**	**328,423,900**
Fair value of plan assets	**(221,784,100)**	**–**	**(13,673,100)**	**(13,673,100)**	**27,684,400**	**258,400**	**–**	**258,400**	**(39,726,700)**	**(247,241,100)**
	₱91,388,800	**₱28,967,000**	**₱4,291,500**	**₱33,258,500**	**₱–**	**₱258,400**	**(₱3,996,200)**	**(₱3,737,800)**	**(₱39,726,700)**	**₱81,182,800**

2024

	At January 1	Net benefit cost in statement of income: Current service cost	Net benefit cost in statement of income: Net interest	Net benefit cost in statement of income: Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets (excluding amount included in net interest)	Remeasurements in other comprehensive income: Actuarial changes rising from experiences and changes in financial assumptions	Remeasurements in other comprehensive income: Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	₱283,653,100	₱23,991,500	₱16,582,200	₱40,573,700	(₱31,338,100)	₱–	₱20,284,200	₱20,284,200	₱–	₱313,172,900
Fair value of plan assets	(206,437,700)	–	(12,715,000)	(12,715,000)	31,338,100	(3,289,500)	–	(3,289,500)	(30,680,000)	(221,784,100)
	₱77,215,400	₱23,991,500	₱3,867,200	₱27,858,700	₱–	(₱3,289,500)	₱20,284,200	₱16,994,700	(₱30,680,000)	₱91,388,800

The distribution of the plan assets as at December 31 follows:

	2025	2024
Investments in government debt securities	**₱168,243,613**	₱165,241,616
Cash and cash equivalents	**52,189,187**	29,408,047
Investments in equity securities	**23,502,641**	24,423,692
Accrued income	**2,235,720**	2,693,744
Other receivables	**1,069,940**	17,001
	₱247,241,101	₱221,784,100

The asset allocation of the Plan is set and reviewed from time to time by the Management taking into account the membership profile and the liquidity requirements of the Plan. The Company's current strategic investment strategy consists of 21.11% of cash and cash equivalents, 9.51% of equities and 68.05% of government securities in 2025 and 14.24% of cash and cash equivalents, 10.61% of equities and 75.15% of government securities in 2024.

The Company's plan assets consist of:

- Cash and cash equivalents include regular savings and time deposits;
- Equity instruments include investments in listed stocks and mutual funds and other equity instruments
- Debt securities pertain to government peso denominated bonds

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as:
- plan experience differing from that anticipated by the economic or demographic assumptions
- changes in economic or demographic assumptions
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost based on the plan's funded status)
- changes in plan provisions or applicable law
- significant events since last actuarial valuation

The investment portfolio of the Company's retirement fund includes investments in equity and debt securities of related parties recognized at fair value as shown below:

	Relationship	2025	2024
Equity securities			
IPeople	Affiliate	**₱11,521,447**	₱12,638,227
Petro Energy Resources Corp.	Affiliate	**7,424,412**	7,593,149
RCBC Leasing & Finance Corp.	Affiliate	**2,495,119**	2,820,905
Panasonic Manufacturing Philippines Corp.	Affiliate	**1,147,477**	661,913
Grand Plaza Hotel Corporation	Affiliate	**510,042**	377,265
House of Investments	Parent Company	**332,010**	264,046
Seafront Resources Corporation	Affiliate	**72,134**	68,187
		₱23,502,641	₱24,423,692

Company contributions are agreed between the Plan Trustees and Company, in consideration of the contribution advice from the Plan Actuary. The expected contribution for 2026 is ₱37.79 million.

The principal assumptions used in determining pension obligation for the Company's plan are shown below:

	2025	2024
Discount rate	**6.00%**	6.00%
Rate of salary increase	**6.00%**	6.00%
Average future working lives (in years)	**8.57**	8.31

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2025 and 2024, respectively, assuming all other assumptions were held constant:

		Impact on present value of defined benefit obligation	
	Increase (decrease)	**2025**	2024
Discount rate	1%	**(₱22,989,673)**	(₱21,922,103)
	(1%)	**16,421,195**	15,658,645
Future salary increase rate	1%	**₱22,989,673**	₱21,922,103
	(1%)	**(16,421,195)**	(15,658,645)

The maturity analysis of the undiscounted benefit payments follows:

	2025	2024
Within 1 year	**₱16,106,800**	₱27,524,300
More than 1 year to 5 years	**130,061,500**	126,970,400
More than 5 years	**279,047,500**	227,150,600

Staff costs and other employee-related costs consist of (see Note 26):

	2025	2024
Salaries and wages	**₱508,396,660**	₱476,301,228
Net benefit expense	**28,967,000**	23,991,500
Net interest expense	**4,291,500**	3,867,200
Other employee benefits	**82,873,527**	83,473,265
	₱624,528,687	₱587,633,193

28. Income Tax

The provision for income tax consists of:

	2025	2024
RCIT	**₱185,636,532**	₱252,043,603
Final	**373,609,514**	163,558,457
Current	**559,246,046**	415,602,060
Deferred	**(69,659,452)**	(93,060,281)
	₱489,586,594	₱322,541,779

The reconciliation of the statutory income tax to the effective income tax shown in the statements of income follows:

	2025	2024
Provision for income tax at statutory tax rate	**₱540,387,386**	₱440,803,738
Tax effects of:		
Income subjected to final tax	**(44,579,779)**	(71,047,709)
Nondeductible expenses, including PFRS 16 and IBNR adjustments	**47,097,694**	(34,408,460)
Fair value (gains)/losses on FVPL financial assets	**(33,866,307)**	23,615,626
Income exempt from income tax	**(14,076,653)**	(7,401,813)
Unrealized foreign exchange gain related to bonds exempt from income tax	**(5,375,747)**	(29,019,603)
Effective income tax	**₱489,586,594**	₱322,541,779

Deferred tax assets are recognized to the extent that realization of the related tax benefit is probable. The components of deferred tax assets recognized by the Company as of December 31, 2025 and 2024 follow:

	2025	2024
Affecting profit and loss:		
Deferred tax assets		
Accruals	**₱166,212,324**	₱117,988,748
Provision for IBNR	**66,021,019**	51,493,442
Lease liabilities	**18,090,405**	7,724,693
Provisions for writeoffs/losses	**8,386,336**	–
Unamortized past service cost	**6,814,450**	5,713,865
Asset retirement obligation	**3,804,922**	3,769,950
Allowance for impairment losses	**2,564,531**	678,968
Advance rental	**1,941,104**	1,941,104
Unrealized foreign exchange loss	**439,191**	3,639,004
Deferred tax liabilities		
Net pension liability	**(17,715,150)**	(16,098,100)
Right-of-use assets	**(17,504,039)**	(7,456,031)
	239,055,093	169,395,643
Affecting other comprehensive income:		
Deferred tax asset		
Actuarial losses on retirement benefit plan	**38,010,850**	38,945,300
	₱277,065,943	₱208,340,943

The regulations provide that the MCIT and net operating loss carryover (NOLCO) may be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception. As of December 31, 2025 and 2024, the Company has no excess MCIT and is at RCIT position.

29. Subsequent Events

On March 18, 2026, the Company declared cash dividend amounting to ₱625.00 million equivalent to ₱17.86 per share in favor of the stockholders of record as of December 31, 2025.

30. 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:

a. Maintain the target level of financial strength;
b. Achieve the target financial ratings; and
c. 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:

	2025	2024
Equity	**₱9,353,384,771**	₱8,077,295,476
Total assets	**81,242,219,264**	69,709,352,965
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:

Minimum Net worth	**Compliance Date**
₱550,000,000	December 31, 2016
900,000,000	December 31, 2021
1,300,000,000	December 31, 2022

On February 6, 2025, the IC provided the result of the verification of the 2024 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 2025 and approved amounts by the IC for 2024 of the Company's non-admitted assets, as defined in the Code, are included in the accompanying statements of financial position as follows:

	2025	2024
Other assets	**₱421,817,224**	₱293,202,301
Loans and receivables	**241,572,066**	99,963,590
Property and equipment - net	**98,018,963**	66,835,884
	₱761,408,253	₱460,001,775

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, 2025 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 2025 and approved RBC ratio in 2024 (based on IC approved Synopsis):

	2025	2024
Total available capital	**₱6,170,111,401**	₱7,387,821,679
RBC requirement	**100%**	100%
	652%	519%

The RBC ratio in 2025 and 2024 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.

31. Management of Insurance and Financial Risk

Insurance Risk

Insurance risk pertains to the uncertainty of the amount and timing of any claim arising from the occurrence of an insured event. The principal risk the Company faces under an insurance contract is that the actual claims and benefit payments exceed the carrying amount of insurance liabilities. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated, and subsequent development of long-term claims.

Terms and conditions

The Company principally writes life insurance where the life of policyholder is insured against death, illness, injury or permanent disability, usually for pre-determined amount.

Life insurance contracts offered by the Company mainly include whole life, term insurance, endowments and unit-linked products.

Whole life and term insurance are conventional products where lump sum benefits are payable on death.

Endowment products are savings products where lump sum benefits are payable after a fixed period or on death before the period is completed.

Unit-linked products differ from conventional policies in that a guaranteed percentage of each premium is allocated to units in a pooled investment fund and the policyholder benefits directly from the total investment growth and income of the fund.

The risks associated with the life and accident and health products are underwriting risk and investment risk.

The main risks the Company are exposed to include:

- Mortality risk - risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Company, type of risk insured and by industry. Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geographical locations, the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

The table below sets out the Company's concentration of insurance risk based on the sum assured:

	2025		2024	
	Number of Policies	**Amount of Insurance**	Number of Policies	Amount of Insurance
Group life	**1,177**	**₱377,679,000,729**	1,218	₱280,571,195,367
Whole life	**50,834**	**30,837,480,861**	47,357	25,512,854,241
Endowment	**11,999**	**13,041,048,877**	10,486	10,882,309,210
Term	**16,267**	**25,372,903,801**	15,530	21,340,739,928
Accident and health	**649**	**201,197,252,093**	554	224,393,544,153
Variable unit-linked	**117,968**	**143,485,363,512**	112,752	131,444,789,433
	198,894	**₱791,613,049,873**	187,897	₱694,145,432,332

Key assumptions

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

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

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

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

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

- Mortality and morbidity rates
  Assumptions are based on rates of mortality and morbidity that are appropriate to the nature of the risks covered based on the Company's actual experience. The increase in mortality and morbidity rates will increase the legal policy reserves and result in a corresponding decrease in profit or loss.

- Discount rates
  The risk-free discount rate provided by IC shall be used for all cash flows to determine the liability of a traditional life insurance policy. The yield curve used as basis for the risk-free discount shall be obtained from the following sources:

  - For Philippine peso policies: BVAL rates
  - For US Dollar policies: International Yield Curve (IYC) from Bloomberg

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

- *Lapses and/or persistency rates*

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

- *Non-guaranteed benefits*

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

<u>Investment Risk</u>
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 Company'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 Company invests in equities for various reasons, including diversifying its overall exposure to interest rate risk. AFS financial assets are subject to changes in fair value. Generally, insurance regulations restrict the type of assets in which an insurance company may invest.

The Company uses asset-liability matching as a management tool to determine the composition of the invested assets and appropriate investment and marketing strategies. As part of these strategies, the Company may determine that it is economically advantageous to be temporarily in an unmatched position due to anticipated interest rate or other economic changes.

Fair Value of Financial Instruments

Due to short-term nature of cash and cash equivalents, insurance receivables, loans and receivables, accrued income, refundable deposits, policy and contract claims payable, policyholders' dividends, premium deposit fund, insurance payables and accounts payable and accrued expense, the carrying values reasonably approximate fair values as of the end of the reporting date.

The fair values of financial assets at FVPL and AFS financial assets were determined using quoted market prices at the reporting date. For unquoted equity securities, these are carried at cost less allowance for impairment losses due to unpredictable nature of future cash flows and the lack of other suitable methods of arriving at a reliable fair value. For unquoted debt securities, these are measured using pricing models that consider, among other factors, contractual and market prices, correlation, time value, credit risk, yield curve volatility factors and or prepayment rates of the underlying positions.

The following tables show the analyses of financial instruments recorded at fair value by level of the fair value as of December 31, excluding Segregated fund assets (see Note 18):

	2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVPL				
Corporate debt securities	**₱–**	**₱7,810,204,673**	**₱–**	**₱7,810,204,673**
AFS financial assets				
Equity securities	**697,333,549**	**–**	**–**	**697,333,549**
Debt securities	**7,433,085,479**	**10,257,467,935**	**–**	**17,690,553,414**
Seed capital in segregated funds	**–**	**581,219,838**	**–**	**581,219,838**
Mutual fund	**–**	**193,093,053**	**–**	**193,093,053**
	₱8,130,419,028	**₱18,841,985,499**	**₱–**	**₱26,972,404,527**

	2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVPL				
Corporate debt securities	₱–	₱5,886,745,147	₱–	₱5,886,745,147
AFS financial assets				
Equity securities	692,072,333	–	–	692,072,333
Debt securities	5,519,167,278	10,976,551,440	–	16,495,718,718
Seed capital in segregated funds	–	545,856,656	–	545,856,656
Mutual fund	–	15,351,171	–	15,351,171
	₱6,211,239,611	₱17,424,504,414	₱–	₱23,635,744,025

The Company invests in government securities which are valued using the BVAL rates which is considered an input other than the quoted market price. Thus, these government securities were classified as either Level 1 and Level 2.

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

The Company invests in its managed VUL funds which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. The Company's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the managed VUL funds and the Company as fund manager. In measuring fair value, consideration is also paid to any transactions in the units of the fund. The Company classifies these funds as AFS financial assets measured at fair value classified as Level 2 based on the nature and level of adjustments needed to the NAV and the level of trading in the fund.

Financial Risk

The Company is exposed to financial risk through its financial assets, financial liabilities and insurance liabilities. In particular, the key financial risk that the Company is exposed to is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, liquidity risk and market risk.

These risks arise from open positions in interest rate, currency, and equity products, all of which are exposed to general and specific market movements.

Credit risk

Credit risk is the risk that the company will incur a loss arising from its counterparties that fail to discharge their contractual obligations.

The Company manages the level of credit risk it accepts through a comprehensive group credit risk process, setting out the assessment and determination of what constitutes credit risk for the Company; setting up of exposure parameters by each counterparty or group of counterparties, geographical and industry segments; right of offset where counterparties are both debtors and creditors whenever possible; and procedures on obtaining collateral and guarantees as needed.

As of December 31, 2025 and 2024, the carrying values of the Company's financial instruments represent maximum exposure to credit risk as of reporting date.

The table below provides information regarding the credit risk exposure of the Company by classifying financial assets according to the Company's credit ratings of counterparties:

	2025			
	Investment Grade	**Non-investment grade - Satisfactory**	**Past due or impaired**	**Total**
Cash and cash equivalents	**₱1,737,363,225**	**₱1,619,700**	**₱–**	**₱1,738,982,925**
Insurance receivables				
Premiums due and uncollected	–	**464,393,885**	–	**464,393,885**
Reinsurance recoverable on paid losses	–	**158,755**	–	**158,755**
Financial assets at FVPL				
Debt securities	**7,810,204,673**	–	–	**7,810,204,673**
AFS financial assets				
Debt securities	**17,690,553,414**	–	–	**17,690,553,414**
Equity securities	**697,333,549**	**1,215,000**	–	**698,548,549**
Seed capital in segregated funds	**581,219,838**	–	–	**581,219,838**
Mutual Fund	**193,093,053**	–	–	**193,093,053**

(Forward)

	2025			
	Investment Grade	**Non-investment grade - Satisfactory**	**Past due or impaired**	**Total**
Segregated fund assets				
Cash and cash equivalents	**₱665,595,899**	**₱–**	**₱–**	**₱665,595,899**
Government debt securities	**3,641,444,460**	**–**	**–**	**3,641,444,460**
Corporate loans	**141,724,000**	**–**	**–**	**141,724,000**
Equity securities	**29,285,994,159**	**–**	**–**	**29,285,994,159**
Structured notes	**15,288,405,287**	**–**	**–**	**15,288,405,287**
Private peso bonds	**532,700,765**	**–**	**–**	**532,700,765**
Subscription receivable	**–**	**215,369,039**	**–**	**215,369,039**
Investment receivable	**–**	**24,027,212**	**–**	**24,027,212**
Accrued income	**88,488,027**	**–**	**–**	**88,488,027**
Loans and receivables				
Due from related parties and GEM Trust Fund	**–**	**78,606**	**–**	**78,606**
Due from agents	**–**	**5,532,380**	**–**	**5,532,380**
Policy loans	**626,414,240**	**–**	**–**	**626,414,240**
Held-in-trust	**21,244,765**	**–**	**–**	**21,244,765**
Others	**261,333,014**	**22,502,673**	**10,258,124**	**294,093,811**
Accrued income	**459,509,016**	**–**	**–**	**459,509,016**
Other assets - refundable deposits	**–**	**50,868,054**	**–**	**50,868,054**
	₱79,722,621,384	**₱785,765,304**	**₱10,258,124**	**₱80,518,644,812**

	2024			
	Investment Grade	Non-investment grade - Satisfactory	Past due or impaired	Total
Cash and cash equivalents	₱1,072,387,331	₱1,479,700	₱–	₱1,073,867,031
Insurance receivables				
Premiums due and uncollected	–	192,361,913	–	192,361,913
Financial assets at FVPL				
Debt securities	5,886,745,147	–	–	5,886,745,147
AFS financial assets				
Debt securities	16,495,718,718	–	–	16,495,718,718
Equity securities	692,072,333	1,215,000	–	693,287,333
Seed capital in segregated funds	545,856,656	–	–	545,856,656
Mutual Fund	15,351,171	–	–	15,351,171
Segregated fund assets				
Cash and cash equivalents	529,599,725	–	–	529,599,725
Government debt securities	3,318,519,474	–	–	3,318,519,474
Corporate loans	152,656,000	–	–	152,656,000
Equity securities	26,575,942,450	–	–	26,575,942,450
Structured notes	11,390,227,456	–	–	11,390,227,456
Private peso bonds	650,301,494	–	–	650,301,494
Subscription receivable	–	69,370,667	–	69,370,667
Investment receivable	–	4,767,087	–	4,767,087
Accrued income	78,731,016	–	–	78,731,016
Loans and receivables				
Due from related parties and GEM Trust Fund	6,946,213	17,226,940	–	24,173,153
Due from agents	–	4,228,593	–	4,228,593
Policy loans	592,414,145	–	–	592,414,145
Short term investments	22,710,757	–	–	22,710,757
Others	112,732,334	15,974,215	2,715,870	131,422,419
Accrued income	406,229,455	–	–	406,229,455
Other assets - refundable deposits	–	39,707,864	–	39,707,864
	₱68,545,141,875	₱346,331,979	₱2,715,870	₱68,894,189,724

Investment grade financial assets are assets which have strong capacity to meet the Company's financial commitments and are unsusceptible to adverse effects of changes in economic conditions.

Non-investment grade financial assets are assets that are likely to be impaired in adverse economic conditions.

Cash and cash equivalents are substantially deposited to a related party commercial bank in good financial standing and covered by the standard deposit insurance. As part of Company policy, bank deposits are only maintained with reputable financial institutions.

Segregated fund assets are the Company's financial assets designated at FVPL which mostly consist of government and corporate debt securities, equity securities, structured notes and private peso bonds that are rated investment grade.

AFS securities consist mostly of government bonds while others are private local corporations issued debt and equity securities. Loans and receivables are composed significantly of loan to policyholders which are 100% secured by earned cash values, net of outstanding premiums and due from cedants.

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty or group of counterparty, and to geographical and line of risk segments. The policy of the Company is to deal only with creditworthy counterparties.

The tables below show the analyses of age of financial assets that are past due and impaired.

	2025				
	Past-due and impaired				
	< 30 days	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	**Total past-due and impaired**
Loans and receivables					
Due from employees	**₱–**	**₱–**	**₱–**	**₱845,632**	**₱845,632**
Others	**–**	**–**	**–**	**9,412,492**	**9,412,492**
Total	**₱–**	**₱–**	**₱–**	**₱10,258,124**	**₱10,258,124**

	2024				
	Past-due and impaired				
	< 30 days	31 to 60 days	61 to 90 days	More than 90 days	Total past-due and impaired
Loans and receivables					
Due from employees	₱–	₱–	₱–	₱881,083	₱881,083
Due from agents	–	–	–	138,764	138,764
Others	–	–	–	1,696,023	1,696,023
Total	₱–	₱–	₱–	₱2,715,870	₱2,715,870

There are no financial assets which are past-due but not impaired for 2025 and 2024.

The Company conducts a periodic review of allowance for impairment losses based on the corresponding age of past due accounts, payment behavior, credit capacity and length of relationship with the counterparty. The Company did not have any significant concentration of credit risk with a single counterparty or group of counterparties, geographical and industry segments as of December 31, 2025 and 2024.

Liquidity risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or the insurance liability falling due for payment earlier than expected; or inability to generate cash inflows as anticipated.

The following processes and procedures are in place to mitigate the Company's exposure to liquidity risk:

- A liquidity risk process sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with this is monitored and exposures and breaches are reported to the Company risk committee. This is regularly reviewed for pertinence and for changes in the risk environment.

- Providing guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contract obligations.

- Setting up contingency funding plans which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans. It is unusual for a company primarily transacting insurance business to predict the requirements of funding with absolute certainty as theory of probability is applied on insurance contracts to ascertain the likely provision and the time period when such liabilities will require settlement. The amounts and maturities in respect of insurance liabilities are thus based on management's best estimate using statistical techniques and data on past experience.m

The Company has not recognized any contingent assets on the statements of financial position due to the uncertainty of the assets' recoverability.

The tables below summarize the maturity profile of financial assets and liabilities of the Company using undiscounted contractual maturities based on remaining contractual obligations.

	2025				
	Up to a year*	1- 5 years	Over 5 years	No maturity date	Total
Financial assets:					
Cash and cash equivalents	**₱1,738,982,925**	**₱–**	**₱–**	**₱–**	**₱1,738,982,925**
Insurance receivables					
Premiums due and uncollected	**464,393,885**	–	–	–	**464,393,885**
Reinsurance recoverable	**158,755**	–	–	–	**158,755**
Financial assets at FVPL					
Debt securities	–	–	**7,810,204,673**	–	**7,810,204,673**
AFS financial assets					
Equity securities	–	–	–	**698,548,549**	**698,548,549**
Debt securities	**51,958,200**	**857,290,003**	**16,781,305,211**	**–**	**17,690,553,414**
Seed capital in segregated funds	–	–	–	**581,219,838**	**581,219,838**
Mutual funds	–	–	–	**193,093,053**	**193,093,053**
Loans and receivables					
Due from related parties and GEM Trust Fund	**78,606**	–	–	–	**78,606**
Due from agents	**5,532,380**	–	–	–	**5,532,380**
Policy loans	**626,414,240**	–	–	–	**626,414,240**
Held-in-trust	**21,244,765**	–	–	–	**21,244,765**
Others - net	**274,332,863**	**19,760,948**	–	–	**294,093,811**
Accrued income	**459,509,016**	–	–	–	**459,509,016**
Other assets - refundable deposits	–	**50,868,054**	–	–	**50,868,054**
Total financial assets	**₱3,642,605,635**	**₱927,919,005**	**₱24,591,509,884**	**₱1,472,861,440**	**₱30,634,895,964**

(Forward)

	2025				
	Up to a year*	**1- 5 years**	**Over 5 years**	**No maturity date**	**Total**
Financial liabilities:					
Policy and contract claims payable	**₱948,455,350**	**₱753,532,093**	**₱264,084,076**	**₱–**	**₱1,966,071,519**
Premium deposit fund	**490,981,803**	–	–	–	**490,981,803**
Insurance payables	**815,432,037**	–	–	–	**815,432,037**
Policyholders' dividend	**499,454,733**	–	–	–	**499,454,733**
Lease liabilities*	**30,637,980**	**41,723,638**	–	–	**72,361,618**
Accounts payable and accrued expenses**	**816,879,505**	–	–	–	**816,879,505**
Other liabilities	**192,012,145**	–	–	–	**192,012,145**
Total financial liabilities	**₱3,793,853,553**	**₱795,255,731**	**₱264,084,076**	**₱–**	**₱4,853,193,360**

Lease liabilities disclosed here pertain to undiscounted lease payments (Note 33)
***Maturities up to a year are all commitments which are either due within the time frame or are payable on demand; excluding tax liabilities*

	2024				
	Up to a year*	1- 5 years	Over 5 years	No maturity date	Total
Financial assets:					
Cash and cash equivalents	₱1,073,867,032	₱–	₱–	₱–	₱1,073,867,032
Insurance receivables					
Premiums due and uncollected	192,361,913	–	–	–	192,361,913
Financial assets at FVPL					
Debt securities	–	–	5,886,745,147	–	5,886,745,147
AFS financial assets					
Equity securities	–	–	–	693,287,333	693,287,333
Debt securities	1,242,319,425	890,443,026	14,362,956,267	–	16,495,718,718
Seed capital in segregated funds	–	–	–	545,856,656	545,856,656
Mutual funds	–	–	–	15,351,171	15,351,171
Loans and receivables					
Due from related parties and GEM Trust Fund	24,173,153	–	–	–	24,173,153
Due from agents	4,228,593	–	–	–	4,228,593
Policy loans	592,414,145	–	–	–	592,414,145
Held-in-trust	22,710,757	–	–	–	22,710,757
Others - net	112,620,758	18,801,661	–	–	131,422,419
Accrued income	406,229,455	–	–	–	406,229,455
Other assets - refundable deposits	–	39,707,864	–	–	39,707,864
Total financial assets	₱3,670,925,231	₱948,952,551	₱20,249,701,414	₱1,254,495,160	₱26,124,074,356
Financial liabilities:					
Policy and contract claims payable	₱636,436,009	₱702,395,275	₱205,973,768	₱–	₱1,544,805,052
Premium deposit fund	437,957,787	–	–	–	437,957,787
Insurance payables	431,985,167	–	–	–	431,985,167
Policyholders' dividend	397,478,059	–	–	–	397,478,059
Lease liabilities*	10,261,552	20,637,221	–	–	30,898,773
Accounts payable and accrued expenses**	678,028,866	–	–	–	678,028,866
Other liabilities	63,928,771	–	–	–	63,928,771
Total financial liabilities	₱2,656,076,211	₱723,032,496	₱205,973,768	₱–	₱3,585,082,475

Lease liabilities disclosed here pertain to undiscounted lease payments (Note 33)
***Maturities up to a year are all commitments which are either due within the time frame or are payable on demand; excluding tax liabilities*

The Company manages its liquid assets and investment positions to meet its obligations arising from its insurance contracts and other financial liabilities. In addition, the Company is required to maintain a certain margin of solvency under IC regulations. The estimated timing of net cash outflows for legal policy reserves included in the insurance contract liabilities are mostly expected to be settled beyond one year.

The Company has an Asset Liability Committee (“ALCO”), which is composed of the CEO, CFO/Head of Finance, Chief Actuary, CIO and ALM Director, and has ultimate responsibility for the ALM operations of SLGFI. It is accountable for the regular reporting and monitoring of ALM performance, and the development of ALM tactics and strategies. The functions of the SLGFI ALCO include the review of the annual investment plan, review of the asset and liability segmentation, and annual review of the Portfolio Policies and Parameters for each segment. SLGFI ALCO monitors ALM matching positions and overall compliance with the specific portfolio policies and limits as well as other policies and limits applicable to SLGFI. The compliance results are summarized and provided to the SLF Asia Chief Risk Officer on a quarterly basis.

Entities within the Sun Life Financial Group are required to have appropriate liquidity. This means having sufficient liquidity to be able to meet all obligations promptly under foreseeable adverse circumstances, whilst not having excessive liquidity that entails an opportunity cost in terms of product competitiveness and asset yields.

Market risk
Market risk is the risk of change in fair value of financial instruments from fluctuations in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The following processes and procedures are in place to mitigate the Company’s exposure to market risk:

- The Company’s market risk process which sets out the assessment and determination of what constitutes market risk for the Company. Compliance with this is monitored and exposures and breaches are reported to the Company’s risk committee. This is reviewed regularly for pertinence and for changes in the risk environment.

- Setting guidelines on asset allocation and portfolio limit structure, to ensure that assets back specific policyholders’ liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.

- Stipulated diversification benchmarks by type of instrument, as the Company is exposed to guaranteed bonuses, cash and annuity options when interest rates fall.

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 Company’s principal transactions are carried out in Philippine Peso and its foreign exchange risk arises primarily with respect to the U.S. Dollar, where some of its products are denominated.

The Company’s financial assets are primarily denominated in the same currencies as its insurance contracts, which mitigate the foreign exchange rate risk. Thus, the main foreign exchange risk arises from recognized assets and liabilities denominated in currencies other than in which the insurance contracts are expected to be settled.

The following table shows the details of the Company's foreign currency denominated monetary assets and liabilities and their Philippine Peso equivalents.

	2025*	
	US$	**PHP**
Assets		
Cash and cash equivalents	**$8,864,435**	**₱521,140,134**
AFS financial assets	**39,361,734**	**2,314,076,342**
Accrued income	**921,345**	**54,165,873**
	49,147,514	**2,889,382,349**
Liabilities		
Legal policy reserves	**12,981,936**	**763,208,017**
Premium deposit fund	**3,788,368**	**222,718,155**
	16,770,304	**985,926,172**
	$32,377,210	**₱1,903,456,177**

**The exchange rate used in 2025 was ₱58.79 to US$1.*

	2024*	
	US$	PHP
Assets		
Cash and cash equivalents	$5,754,182	₱385,020,508
AFS financial assets	38,461,647	2,224,813,971
Accrued income	892,644	51,634,992
	45,108,473	2,661,469,471
Liabilities		
Legal policy reserves	14,445,074	835,575,306
Premium deposit fund	3,817,364	220,815,421
	18,262,438	1,056,390,727
	$26,846,035	₱1,605,078,744

** The exchange rate used in 2024 was ₱57.85 to US$1..*

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on income before income tax (due to changes in fair value of currency sensitive monetary assets and liabilities). There is no other impact on the Company's equity other than those already affecting the statement of income.

	Currency	**Change in variable**	**Impact on income before income tax**
2025	**USD**	**1.72%**	**₱32,754,944**
	USD	**(1.72%)**	**(32,754,944)**
2024	USD	3.95%	₱61,262,652
	USD	(3.95%)	(61,262,652)

Reasonably possible movements in foreign exchange rates are computed based on average percentage changes in the Philippine Dealing & Exchange Corporation (PDEx) closing rate for the past three (3) years.

Interest rate risk
Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Company's fixed rate investments classified as AFS financial assets are particularly exposed to such risk.

The tables below summarize the range of interest rate on the financial assets at AFS financial assets.

	2025				
	Range of Interest Rate	**Up to a year***	**1- 5 years**	**Over 5 years**	**Total**
Financial assets at FVPL					
Debt securities	**5.99% to 8.70%**	**₱–**	**₱–**	**₱7,810,204,673**	**₱7,810,204,673**
AFS financial assets					
Debt securities	**2.1% to 11.25%**	**51,958,200**	**857,290,003**	**16,781,305,211**	**17,690,553,414**
Loans and receivables					
Policy loans	**6.00% to 8.00%**	**626,414,240**	**–**	**–**	**626,414,240**
		₱678,372,440	**₱857,290,003**	**₱24,591,509,884**	**₱26,127,172,327**

**Maturities up to a year are all commitments which are either due within the time frame or are payable on demand.*

	2024				
	Range of Interest Rate	Up to a year*	1- 5 years	Over 5 years	Total
Financial assets at FVPL					
Debt securities	5.99% to 8.70%	₱–	₱–	₱5,886,745,147	₱5,886,745,147
AFS financial assets					
Debt securities	2.63% to 11.25%	1,242,319,425	890,443,026	14,362,956,267	16,495,718,718
Loans and receivables					
Policy loans	6.00% to 8.00%	592,414,145	–	–	592,414,145
		₱1,834,733,570	₱890,443,026	₱20,249,701,414	₱22,974,878,010

**Maturities up to a year are all commitments which are either due within the time frame or are payable on demand.*

The Company's investment policy requires it to buy and hold AFS financial assets, unless the need to sell arises, and to reduce the duration gap between financial assets and financial liabilities to minimize interest rate risk.

<u>Analysis for AFS financial assets</u>
The analysis below is performed for reasonably possible movements in interest rates with all other variables held constant, showing the impact on equity and profit or loss (P&L), due to changes in fair value of fixed rate classified as FVPL and AFS financial assets.

	Currency	**Change in variable**	**Impact on OCI**
2025	**Peso**	**+20 bps**	**(₱6,017,353)**
	Peso	**-20 bps**	**6,020,840**
	USD	**+20 bps**	**(₱1,019,622)**
	USD	**-20 bps**	**1,020,403**
2024	Peso	+20 bps	(₱5,471,087)
	Peso	-20 bps	5,474,190
	USD	+20 bps	(₱840,522)
	USD	-20 bps	841,105

	Currency	**Change in variable**	**Impact on P&L**
2025	**Peso**	**+20 bps**	**(₱2,832,041)**
	Peso	**-20 bps**	**2,833,742**
2024	Peso	+20 bps	(₱1,875,688)
	Peso	-20 bps	1,876,744

The sensitivity rate used for reporting fair value interest rate risk internally to key management personnel represents management's assessment of the reasonably possible change in its fair value using the percentage changes in weighted average yield rates.

Equity price risk
The Company's equity price risk exposure at year-end relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as AFS financial assets. The Company's price risk exposure relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit linked business.

The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are nonlinear.

The Company is exposed to equity price risk arising from its significant investments in unquoted equity investments carried at fair value.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on other comprehensive income (that reflects changes in fair value of AFS financial assets).

	Change in variable	Impact on OCI
2025	**+4.51%**	**₱20,470,395**
	-4.51%	**(20,470,395)**
2024	+0.21%	₱21,566,280
	-0.21%	(21,566,280)

The Company determined the reasonably possible change in equity pricing using percentage changes in the Philippine Stock Exchange (PSE) composite index for the past three (3) years. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by the specific beta for these investments as at reporting date.

The Company measures the sensitivity of its investments in mutual funds through fluctuations in the net asset value per share (NAVPS). Since the Company's investments in mutual funds is limited only to seed capital in VUL segregated funds and SLAMCI mutual funds as of December 31, 2025, the sensitivity analysis on the reasonably possible movements of NAVPS and its impact to the net income is not material to the financial statements.

32. Related Party Transactions

Transactions between related parties are based on terms similar to those offered to nonrelated parties. 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; and the parties are subject to common control or common significant influence (referred to as affiliates). Related parties include subsidiaries, affiliates, directors, officers and stockholders (DOS), close family members of DOS, related interests, and any person or juridical entity whose interests may pose potential conflict with the interest of the Company.

Related party transactions are settled in cash.

A. Related party transactions consist mainly of the following:

	2025			
Category	Amount	Outstanding Balances	Terms	Conditions
Parent Company				
House Of Investment				
Dividend distribution	₱418,200,000	₱–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	864,640	–	Non-interest-bearing, due and demandable	Unsecured
Director's Fee	144,000	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	165,620	1,100	Non-interest-bearing, due and demandable	Unsecured
Sun Life Financial Philippine Holding Company				
Dividend distribution	401,800,000	–	Non-interest-bearing, due and demandable	Unsecured
Subsidiaries				
Grepa Realty Holdings Corporation				
Rent and other expenses	59,561,897	7,493,882	Non-interest-bearing, due and demandable	Unsecured
Communication service	52,880	–	Non-interest-bearing, due and demandable	Unsecured, no impairment
Clinic Procedures	10,560	960	Non-interest-bearing, due and demandable	Unsecured
Grepalife Asset Management Corp				
Dividend Income	41,932,789	–	Non-interest-bearing, due and demandable	Unsecured
Shared expenses (a)	78,606	78,606	Non-interest-bearing, due and demandable	Unsecured
Other related parties				
AY Foundation Inc.				
Donation	10,717,382	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	75,831	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	30,511	2,560	Non-interest-bearing, due and demandable	Unsecured
Blackhounds Security.				
Insurance Premium	130,523	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	43,340	14,650	Non-interest-bearing, due and demandable	Unsecured
Bluehounds Security And Investigation Agency Inc.				
Insurance premium	10,435	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	2,189	–	Non-interest-bearing, due and demandable	Unsecured
EEI Corporation				
Insurance Premium	46,557,503	–	Valued at Market, Segregated Funds and AFS security investment	Unsecured
Dividend Income	1,136,848	–	Non-interest-bearing, due and demandable	Unsecured
Sale of Equity Securities	16,964,108	–	Valued at Market, Segregated Funds and AFS security investment	Unsecured
Clinic Procedures	1,140	3,290	Non-interest-bearing, due and demandable	Unsecured
GOLDEN SPRING GROUP				
Reimbursement of expenses	211,570	–	Non-interest-bearing, due and demandable	Unsecured
Greyhounds Security and Investigation Agency Inc.				
Clinic procedures	54,303	7,050	Non-interest-bearing, due and demandable	Unsecured
HEXAGON LOUNGE, INC.				
Staff Training	198,479	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	945	–	Non-interest-bearing, due and demandable	Unsecured

(Forward)

Category	2025 Amount	Outstanding Balances	Terms	Conditions
HI-CARS INC.				
Purchase/maintenance of company vehicles	**₱18,123,419**	**₱–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**446,086**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
HI-Eisai Pharmaceutical Inc.				
Insurance premium	**670,847**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**9,212**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Honda Cars Kalookan Inc.				
Insurance premium	**24,796**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Honda Cars Quezon City				
Insurance Premium	**14,898**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
IPeople, Inc.				
Insurance premium	**42,844**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**1,725**	**900**	**Non-interest-bearing, due and demandable**	**Unsecured**
La Funeraria Paz - Sucat Inc.				
Insurance Premium	**1,893,821**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Landev Corporation				
Clinic procedures	**12,338**	**4,840**	**Non-interest-bearing, due and demandable**	**Unsecured**
Malayan Colleges Laguna				
Insurance Premium	**2,247,102**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**2,175,438**	**927,750**	**Non-interest-bearing, due and demandable**	**Unsecured**
Malayan Colleges Mindanao				
Clinic procedures	**2,394,890**	**1,515,975**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**1,680,512**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Malayan Education System				
Clinic procedures	**3,682,017**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Recruitment Costs	**180,000**		**Non-interest-bearing, due and demandable**	**Unsecured**
Malayan High School of Science				
Insurance premium	**6,174**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Malayan Insurance Co Inc.				
Insurance premium	**6,874,230**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance cost	**3,613,853**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Reinsurance	**3,560,873**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Rental	**367,846**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Bank Fees	**460,256**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**234,798**	**994,140**	**Non-interest-bearing, due and demandable**	**Unsecured**
Communication service	**179,094**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Manila Memorial Park				
Insurance premium	**8,056,718**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Policy benefit	**51,921**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Mapua Institute of Technology				
Insurance premium	**3,273,775**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
National Reinsurance Corporation of the Philippines				
Reinsurance - disbursement	**41,953,946**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Reinsurance - collection	**41,953,946**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**

(Forward)

Category	2025 Amount	Outstanding Balances	Terms	Conditions
Pan Malayan Express Inc				
Travel/plane fare	**₱26,716,426**	**₱–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**396,705**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Pan Malayan Management and Investment Corporation				
Insurance premium	**909,238**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Reimbursement of Expenses	**634,054**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**200,092**	**24,900**	**Non-interest-bearing, due and demandable**	**Unsecured**
Rentals	**307,755**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Petro Energy Resources Corporation				
Insurance premium	**41,879**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Philippine Integrated Advertising Agency, Inc.				
Advertising	**3,083,601**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**155,418**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Bankard Inc.				
Insurance premium	**26,953,755**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**1,168,447**	**765,583**	**Non-interest-bearing, due and demandable**	**Unsecured**
Policy benefit	**34,543**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Capital Corporation				
Insurance premium	**127,680**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**33,505**	**2,130**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Leasing & Finance Corporation				
Insurance premium	**568,598**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**47,447**	**2,900**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Realty Corp.				
Rental fee – branches	**20,486,202**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**317,491**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**14,086**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Rental Corporation				
Clinic procedures	**135**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Savings Bank				
Insurance premium	**175,829,944**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Policy benefit	**1,050,000**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Securities				
Maturity of investment securities	**6,230,908,043**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Purchase of investment securities	**6,038,237,733**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Sale of investment securities	**16,432,311**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Clinic procedures	**77,800**	**2,200**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**57,140**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
RCBC Trust Corporation				
Clinic Procedures	**47,485**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance Premium	**37,494**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**

(Forward)

	2025			
Category	Amount	Outstanding Balances	Terms	Conditions
Rizal Commercial Banking Corporation				
Bank deposits	₱125,422,279,148	₱1,130,826,048	Interest-bearing at 0.01% to 2.25%, due and demandable	Secured up to ₱500,000
Bank withdrawals	125,458,594,115	–	Non-interest-bearing, due and demandable	Unsecured
Maturity of investment securities	111,308,957,454	–	Non-interest-bearing, due and demandable	Unsecured
Purchase of investment securities	111,350,580,060	–	Non-interest-bearing, due and demandable	Unsecured
Bank fees	477,552,470	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	280,450,319	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	70,012,949	–	Non-interest-bearing, due and demandable	Unsecured
Sale of investment securities	39,728,688	–	Non-interest-bearing, due and demandable	Unsecured
Retirement Fund (Contribution)	39,726,700	–	Non-interest-bearing, due and demandable	Unsecured
Agents' benefit	6,903,447	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	2,377,887	256,420	Non-interest-bearing, due and demandable	Unsecured
Rental	16,725	–	Non-interest-bearing, due and demandable	Unsecured
Communication service	6,796	–	Non-interest-bearing, due and demandable	Unsecured
Refund of premium	872	–	Non-interest-bearing, due and demandable	Unsecured
Rizal Microbank (An Affiliate Of RCBC)				
Insurance premium	6,548,982	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	5,828,567	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	10,038	–	Non-interest-bearing, due and demandable	Unsecured
St. Lukes Medical Center, Inc.				
Medical Services	9,761,512	–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Asset Management Company, Inc.				
Rebates of transaction fees	97,116	512	Non-interest-bearing, due and demandable	Unsecured
Sun Life Financial Philippines Foundation, Inc.				
Donation	240,000	–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Investment Management & Trust Corporation				
Service Level Agreement Fees (b)	53,682,179	5,248,762	Non-interest-bearing, due and demandable	Unsecured
Sun Life Of Canada, Phils.				
Service level agreement fees (b)	533,927,303	144,478,383	Non-interest-bearing, due and demandable	Unsecured
Sale of investment securities	459,307,459	–	Non-interest-bearing, due and demandable	Unsecured
Purchase of Investment Securities	24,713,000	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	23,878	22,420	Non-interest-bearing, due and demandable	Unsecured
Sun Life Of Canada Prosperity Dollar Starter Fund.				
Subscription in Mutual Fund	328,366,105	–	Non-interest-bearing, due and demandable	Unsecured
Redemption in Mutual Fund	49,383,600	–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Prosperity Money Market Fund				
Redemption in Mutual Fund	104,735,926	–	Non-interest-bearing, due and demandable	Unsecured

(Forward)

	2025			
Category	**Amount**	**Outstanding Balances**	**Terms**	**Conditions**
YGC CSI				
Clinic procedures	**₱14,122**	**₱3,160**	**Non-interest-bearing, due and demandable**	**Unsecured**
Insurance premium	**228,542**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Direct Marketing Services	**2,970,000**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Yuchengco Museum Inc.				
Clinic procedures	**5,385**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**
Rental	**99,370**	**–**	**Non-interest-bearing, due and demandable**	**Unsecured**

	2024			
Category	Amount	Outstanding Balances	Terms	Conditions
Parent Company				
Grepalife Holdings, Inc.				
Dividend distribution	₱214,200,000	₱–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Financial Philippine Holding Company				
Dividend distribution	205,800,000	–	Non-interest-bearing, due and demandable	Unsecured
House Of Investment				
Purchase/maintenance of company vehicles	7,194,886	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	717,233	–	Non-interest-bearing, due and demandable	Unsecured
Director's Fee	200,000	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	36,096	11,890	Non-interest-bearing, due and demandable	Unsecured
Subsidiaries				
Grepa Realty Holdings Corporation				
Rent and other expenses	54,614,854	2,641,969	Non-interest-bearing, due and demandable	Unsecured
Shared expenses	48,720	–	Non-interest-bearing, due and demandable	Unsecured, no impairment
Clinic procedures	13,705	1,920	Non-interest-bearing, due and demandable	Unsecured
Grepalife Asset Management Corp				
Shared expenses (a)	(230,699)	(230,699)	Non-interest-bearing, due and demandable	Unsecured
Other related parties				
AY Foundation Inc.				
Donation	8,824,834	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	83,695	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	30,256	2,710	Non-interest-bearing, due and demandable	Unsecured
Blackhounds Security.				
Insurance Premium	113,944	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	59,450	8,250	Non-interest-bearing, due and demandable	Unsecured
Bluehounds Security And Investigation Agency Inc.				
Insurance premium	7,789	–	Non-interest-bearing, due and demandable	Unsecured
Clinic Procedures	7,688	550	Non-interest-bearing, due and demandable	Unsecured
EEI Corporation				
Insurance Premium	43,031,830	–	Valued at Market, Segregated Funds and AFS security investment	Unsecured
Dividend Income	1,981,026	–	Non-interest-bearing, due and demandable	Unsecured
Sale of Equity Securities	1,351,060	–	Valued at Market, Segregated Funds and AFS security investment	Unsecured

Category	Amount	Outstanding Balances	Terms	Conditions
	2024			
(Forward)				
Redemption of Mutual Fund	₱–	₱28,849,029	Non-interest-bearing, due and demandable	Unsecured
GOLDEN SPRING GROUP				
Reimbursement of expenses	615,080	–	Non-interest-bearing, due and demandable	Unsecured
Greyhounds Security and Investigation Agency Inc.				
Clinic procedures	41,670	14,000	Non-interest-bearing, due and demandable	Unsecured
HEXAGON LOUNGE, INC.				
Clinic Procedures	4,170	–	Non-interest-bearing, due and demandable	Unsecured
HI-CARS INC.				
Insurance premium	81,267	–	Non-interest-bearing, due and demandable	Unsecured
HI-Eisai Pharmaceutical Inc.				
Insurance premium	588,481	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	7,977	1,100	Non-interest-bearing, due and demandable	Unsecured
Honda Cars Kalookan Inc.				
Insurance premium	69,454	–	Non-interest-bearing, due and demandable	Unsecured
Honda Cars Philippines, Inc				
Maintenance of company vehicles	18,546	–	Non-interest-bearing, due and demandable	Unsecured
Honda Cars Quezon City				
Insurance Premium	132,322	–	Non-interest-bearing, due and demandable	Unsecured
IPeople, Inc.				
Insurance premium	25,571	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	–	1,760	Non-interest-bearing, due and demandable	Unsecured
ISUZU Manila				
Purchases/maintenance of company vehicles	132,427	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	20,981	–	Non-interest-bearing, due and demandable	Unsecured
La Funeraria Paz - Sucat Inc.				
Insurance Premium	1,100,592	–	Non-interest-bearing, due and demandable	Unsecured
Landev Corporation				
Clinic procedures	15,979	2,850	Non-interest-bearing, due and demandable	Unsecured
Malayan Colleges Laguna				
Clinic procedures	2,572,774	842,850	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	163,347	–	Non-interest-bearing, due and demandable	Unsecured
Malayan Colleges Mindanao				
Insurance premium	3,040,826	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	946,217	–	Non-interest-bearing, due and demandable	Unsecured
Malayan Education System				
Clinic procedures	3,153,860	–	Non-interest-bearing, due and demandable	Unsecured
Recruitment Costs	19,643		Non-interest-bearing, due and demandable	Unsecured
Malayan High School of Science				
Insurance premium	44,409	–	Non-interest-bearing, due and demandable	Unsecured
Malayan Insurance Co Inc.				
Insurance premium	11,285,263	–	Non-interest-bearing, due and demandable	Unsecured
Insurance cost	3,377,509	–	Non-interest-bearing, due and demandable	Unsecured
Reinsurance	3,347,810	–	Non-interest-bearing, due and demandable	Unsecured
Rental	545,533	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	99,686	19,210	Non-interest-bearing, due and demandable	Unsecured
Communication service	14,768	–	Non-interest-bearing, due and demandable	Unsecured
(Forward)				

Category	2024 Amount	Outstanding Balances	Terms	Conditions
Others	₱1,097,367	₱–	Non-interest-bearing, due and demandable	Unsecured
Manila Memorial Park				
Insurance premium	8,473,977	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	383,155	–	Non-interest-bearing, due and demandable	Unsecured
Mapua Institute of Technology				
Insurance premium	2,989,217	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	–	552,790	Non-interest-bearing, due and demandable	Unsecured
National Reinsurance Corporation of the Philippines				
Reinsurance - disbursement	27,920,761	–	Non-interest-bearing, due and demandable	Unsecured
Reinsurance - collection	7,072,023	–	Non-interest-bearing, due and demandable	Unsecured
Pan Malayan Express Inc				
Travel/plane fare	29,953,407	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	289,143	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	540	135	Non-interest-bearing, due and demandable	Unsecured
Pan Malayan Management and Investment Corporation				
Insurance premium	825,056	–	Non-interest-bearing, due and demandable	Unsecured
Reimbursement of Expenses	577,803	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	190,836	13,990	Non-interest-bearing, due and demandable	Unsecured
Rentals	154,183	–	Non-interest-bearing, due and demandable	Unsecured
Petro Energy Resources Corporation				
Insurance premium	41,078	–	Non-interest-bearing, due and demandable	Unsecured
Philippine Integrated Advertising Agency, Inc.				
Advertising	3,092,824	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	46,991	–	Non-interest-bearing, due and demandable	Unsecured
RCBC Bankard Inc.				
Insurance premium	26,225,290	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	2,001,690	307,834	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	80,552	–	Non-interest-bearing, due and demandable	Unsecured
Refund of premium	14,310	–	Non-interest-bearing, due and demandable	Unsecured
RCBC Capital Corporation				
Insurance premium	155,555	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	56,556	2,690	Non-interest-bearing, due and demandable	Unsecured
RCBC Leasing & Finance Corporation				
Insurance premium	735,348	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	61,818	3,300	Non-interest-bearing, due and demandable	Unsecured
RCBC Realty Corp.				
Clinic procedures	11,928	–	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	146,580	–	Non-interest-bearing, due and demandable	Unsecured
Rental fee – branches	5,355,400	–	Non-interest-bearing, due and demandable	Unsecured
RCBC Rental Corporation				
Clinic procedures	135	–	Non-interest-bearing, due and demandable	Unsecured

(Forward)

Category	2024 Amount	Outstanding Balances	Terms	Conditions
RCBC Savings Bank				
Insurance premium	₱158,957,610	₱–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	1,726,748	–	Non-interest-bearing, due and demandable	Unsecured
RCBC Securities				
Purchase of investment securities	90,342,311,723	–	Non-interest-bearing, due and demandable	Unsecured
Sale of investment securities	42,711,727	–	Non-interest-bearing, due and demandable	Unsecured
Maturity of investment securities	91,173,978,676	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	85,441	13,690	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	77,999	–	Non-interest-bearing, due and demandable	Unsecured
RCBC Trust Corporation				
Clinic Procedures	60,670	–	Non-interest-bearing, due and demandable	Unsecured
Rizal Commercial Banking Corporation				
Bank deposits	298,294,648,301	1,079,579,515	Interest-bearing at 0.01% to 2.25%, due and demandable	Secured up to ₱500,000
Bank withdrawals	296,878,665,873	–	Non-interest-bearing, due and demandable	Unsecured
Bank fees	287,040,040	–	Non-interest-bearing, due and demandable	Unsecured
Purchase of investment securities	202,860,854,027	–	Non-interest-bearing, due and demandable	Unsecured
Sale of investment securities	65,674,689	–	Non-interest-bearing, due and demandable	Unsecured
Agents' benefit	8,347,061	–	Non-interest-bearing, due and demandable	Unsecured
Maturity of investment securities	202,940,831,029	–	Non-interest-bearing, due and demandable	Unsecured
Retirement Fund (Contribution) (a)	30,680,000	–	Non-interest-bearing, due and demandable	Unsecured
GEM Trust (Collection)	–	3,544,210	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	1,442,227	417,831	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	133,888,870	–	Non-interest-bearing, due and demandable	Unsecured
Interest income	82,500	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	92,831,006	–	Non-interest-bearing, due and demandable	Unsecured
Refund of premium	209	–	Non-interest-bearing, due and demandable	Unsecured
Reimbursement of expenses	132,518	–	Non-interest-bearing, due and demandable	Unsecured
Rental	51,282	–	Non-interest-bearing, due and demandable	Unsecured
Refund of excess payment	55,528	–	Non-interest-bearing, due and demandable	Unsecured
Communication service	16,993	–	Non-interest-bearing, due and demandable	Unsecured
Rizal Microbank (An Affiliate Of RCBC)				
Insurance premium	6,236,979	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	843,471	–	Non-interest-bearing, due and demandable	Unsecured
Refund of premium	15,557	–	Non-interest-bearing, due and demandable	Unsecured
Refund of excess payment	349,900	–	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	10,971	–	Non-interest-bearing, due and demandable	Unsecured
St. Lukes Medical Center, Inc.				
Medical Services	8,305,182	–	Non-interest-bearing, due and demandable	Unsecured
Policy benefit	4,001	–	Non-interest-bearing, due and demandable	Unsecured

(Forward)

Category	2024 Amount	Outstanding Balances	Terms	Conditions
Sun Life Financial Philippines Foundation, Inc.				
Donation	₱240,000	₱–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Investment Management & Trust Corporation				
Service Level Agreement Fees (b)	20,917,290.58	10,691,879	Non-interest-bearing, due and demandable	Unsecured
Sun Life Of Canada, Phils.				
Clinic procedures	22,854	12,390	Non-interest-bearing, due and demandable	Unsecured
Service level agreement fees (b)	483,464,066	137,317,425	Non-interest-bearing, due and demandable	Unsecured
Purchase of Investment Securities	96,540,090	–	Non-interest-bearing, due and demandable	Unsecured
Sale of investment securities	25,125,477	–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Of Canada Prosperity Dollar Starter Fund.				
Subscription in Mutual Fund	339,793,099	261,877,212	Non-interest-bearing, due and demandable	Unsecured
Redemption in Mutual Fund	141,347,382	–	Non-interest-bearing, due and demandable	Unsecured
Sun Life Prosperity Money Market Fund				
Purchase of investment securities	5,460,421	–	Non-interest-bearing, due and demandable	Unsecured
Subscription in Mutual Fund	4,000,000	107,523,088	Non-interest-bearing, due and demandable	Unsecured
Redemption in Mutual Fund	101,223,858	–	Non-interest-bearing, due and demandable	Unsecured
YGC CSI				
Purchase of Equity Securities	–	1,200,000	Non-interest-bearing, due and demandable	Unsecured
Clinic procedures	75,769	12,530	Non-interest-bearing, due and demandable	Unsecured
Insurance premium	690,720	–	Non-interest-bearing, due and demandable	Unsecured
Direct Marketing Services	2,743,264	–	Non-interest-bearing, due and demandable	Unsecured
Yuchengco Museum Inc.				
Clinic procedures	19,218	–	Non-interest-bearing, due and demandable	Unsecured

a. Due from related parties (Note 8)

	2025	2024
Grepalife Asset Management Corp.		
Reimbursement	**₱78,606**	(₱230,699)
RCBC Trust		
Retirement fund receivables	**–**	17,457,639
	₱78,606	₱17,226,940

In addition, the Company has outstanding receivable from GEM Trust Fund amounting to nil and ₱6.95 million as of December 31, 2025 and 2024, respectively (see Note 8).

b. Due to related parties (Note 19)

	2025	2024
Sun Life of Canada (Philippines) Inc.	**₱144,478,383**	₱137,317,425
Sun Life Investment Management & Trust Co.	**5,248,762**	10,691,879
	₱149,727,145	₱148,009,304

B. Key management personnel of the Company include all officers with rank of Assistant Vice President and up. The summary of compensation of key management personnel follows:

	2025	2024
Salaries and other short-term employee benefits	**₱126,655,323**	₱144,158,288
Post-employment and other long-term benefits	**6,821,739**	35,036,769
	₱133,477,062	₱179,195,057

33. **Leases**

Company as a lessee
The Company 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 following are the amounts recognized in the statements of income:

	2025	2024
Depreciation expense of right-of-use assets (Note 26)	**₱18,490,062**	₱12,171,574
Interest expense on lease liabilities (Note 26)	**2,663,645**	1,694,017
Expenses relating to short-term leases (Note 26)	**88,190,597**	75,179,009
Total amount recognized in the statements of income	**₱109,344,304**	₱89,044,600

The rollforward analysis of right-of-use assets follows:

	2025	2024
Balance at beginning of year	**₱29,824,125**	₱25,574,548
Additions	**58,682,093**	16,421,151
Depreciation (Note 26)	**(18,490,062)**	(12,171,574)
Balance at end of year	**₱70,016,156**	₱29,824,125

The rollforward analysis of lease liabilities follows:

	2025	2024
Balance at beginning of year	**₱30,898,773**	₱25,632,988
Additions	**58,682,093**	16,421,151
Interest expense (Note 26)	**2,663,645**	1,694,017
Payments	**(19,882,893)**	(12,849,383)
Balance at end of year	**₱72,361,618**	₱30,898,773

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

	2025	2024
1 year	**₱30,637,980**	₱12,820,240
more than 1 year to 2 years	**26,148,660**	11,290,225
more than 2 years to 3 years	**17,761,198**	6,070,387
more than 3 years to 4 years	**3,068,108**	3,987,144
more than 4 years to 5 years	**81,887**	2,089,367
	₱77,697,833	₱36,257,363

The rollforward analysis of asset restoration obligation follows:

	2025	2024
Balance at beginning of year	**₱15,079,800**	₱14,706,746
Additions	**–**	243,387
Interest expense (Note 26)	**139,887**	129,667
Balance at end of year	**₱15,219,687**	₱15,079,800

The Company maintains lease contracts where the Company is required to remove leasehold improvements and installations made in the leased premises and restore such premises to its original condition at the end of the term of the lease contract. Accordingly, the Company's estimate of restoration cost as of 2025 and 2024 is ₱15.22 million and ₱15.07 million, respectively. Since the lease contracts will end in various dates ending December 2030, the asset restoration obligation non-current liability portion as of 2024 is ₱13.87 million in 2025 and ₱15.28 million in 2024.

Interest expense from the unwinding of the discount on the asset restoration obligation amounted to ₱0.14 million in 2025 and ₱0.13 million in 2024. Discount rates used in 2025 and 2024 are within the range of 3% to 7%.

34. Notes to Statements of Cash Flows

The change in liabilities arising from the Company's financing activities in 2025 follows:

Dividends payable, January 1	₱–
Declaration	820,000,000
Payments	(820,000,000)
Dividends payable, December 31	₱–

Refer to Note 33 for the movements of lease liabilities.

In 2025 and 2024, non-cash additions of ROU assets amounted to ₱58.68 million and ₱16.42 million, respectively (see Notes 11 and 33).

35. Current and Non-current Classification

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	2025			2024		
	Current	**Non-current**	**Total**	Current	Non-current	Total
Cash and cash equivalents	**₱1,738,982,925**	**₱–**	**₱1,738,982,925**	₱1,073,867,031	₱–	₱1,073,867,031
Insurance receivables	**464,552,640**	**–**	**464,552,640**	192,361,913	–	192,361,913
Financial assets						
Financial assets at fair value through profit or loss	**–**	**7,810,204,673**	**7,810,204,673**	–	5,886,745,147	5,886,745,147
Available-for-sale financial assets	**51,958,200**	**19,111,456,654**	**19,163,414,854**	1,242,319,425	16,507,894,453	17,750,213,878
Loans and receivables	**937,105,679**	**–**	**937,105,679**	772,233,197	–	772,233,197
Segregated fund assets	**48,971,393,835**	**–**	**48,971,393,835**	42,114,575,829	–	42,114,575,829
Accrued income	**459,509,016**	**–**	**459,509,016**	406,229,455	–	406,229,455
Investment in subsidiaries	**–**	**1,056,092,200**	**1,056,092,200**	–	1,076,092,200	1,076,092,200
Property and equipment - net	**–**	**186,164,578**	**186,164,578**	–	107,162,548	107,162,548
Deferred tax asset	**–**	**277,065,943**	**277,065,943**	–	208,340,943	208,340,943
Right-of-use assets - net	**–**	**70,016,156**	**70,016,156**	–	29,824,125	29,824,125
Other assets	**56,848,711**	**50,868,054**	**107,716,765**	51,998,835	39,707,864	91,706,699
Total Assets	**₱52,680,351,006**	**₱28,561,868,258**	**₱81,242,219,264**	₱45,853,585,685	₱23,855,767,280	₱69,709,352,965

(*Forward*)

	2025			2024		
	Current	Non-current	Total	Current	Non-current	Total
Liabilities						
Segregated fund liabilities	**₱48,971,393,835**	**₱–**	**₱48,971,393,835**	₱42,114,575,829	₱–	₱42,114,575,829
Legal policy reserves - net	**542,573,803**	**17,185,461,370**	**17,728,035,173**	452,144,836	15,243,735,005	15,695,879,841
Policy and contract claims	**948,455,350**	**1,017,616,169**	**1,966,071,519**	636,436,009	908,369,043	1,544,805,052
Policyholders' dividends	**499,454,733**	**–**	**499,454,733**	397,478,059	–	397,478,059
Premium deposit fund	**490,981,803**	**–**	**490,981,803**	437,957,787	–	437,957,787
Insurance payables	**815,432,037**	**–**	**815,432,037**	431,985,167	–	431,985,167
Accounts payable and accrued expenses	**918,818,561**	**–**	**918,818,561**	746,162,389	–	746,162,389
Income tax payable	**153,090,269**	**–**	**153,090,269**	76,997,021	–	76,997,021
Net pension liability	**–**	**81,182,800**	**81,182,800**	–	91,388,800	91,388,800
Lease liabilities	**27,533,230**	**44,828,388**	**72,361,618**	10,261,552	20,637,221	30,898,773
Other liabilities	**192,012,145**	**–**	**192,012,145**	63,928,771	–	63,928,771
Total Liabilities	**₱53,559,745,766**	**₱18,329,088,727**	**₱71,888,834,493**	₱45,367,927,420	₱16,264,130,069	₱61,632,057,489

36. Supplementary Tax Information under Revenue Regulations 15-2010

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

Percentage Tax
The Company is engaged in the business of life insurance and paid the amount of ₱159,396,915 as percentage tax pursuant to the provisions of Sec. 244 of the National Internal Revenue Code of 1997, as last amended by Revenue Memorandum Circular No. 22-2010.

VAT
The Company had VAT output tax declaration of ₱79,089,734 for the year based on the amount reflected in the Summary List of Sales and Purchases of ₱618,525,534. The Company has ₱8,002,992,953 VAT exempt sales and no zero-rated sales of goods and services in 2025.

Details of the Company's output VAT declared in 2025 are as follows:

Fee income:	
Management fee-GEM	₱–
Partial fund with charges	1,345,806
Surrender charges	21,910,001
Management fee (Note 24)	623,329,975
	646,585,782
Other income:	
Rental income	1,080,820
Interest income	1,232,453
Others	10,182,058
	659,081,113
Output VAT rate	12%
Output tax	₱79,089,734

The amount of VAT Input taxes claimed are broken down as follows:

Balance at beginning of the year	₱1,482,394
Current year's purchases:	
Services lodged under other accounts	74,223,064
	75,705,458
Claims for tax credit/refund and other adjustments	74,932,430
Balance at end of the year	₱773,028

Documentary Stamp Tax (DST)
The DST paid/accrued are the following:

Transaction	DST
Policies issued	₱3,014,880
Policy loans	1,266,067
Other Loans	94,377
Lease contracts	327,174
	₱4,702,498

Other Taxes and License Fees for 2025
This includes all other taxes, local and national, including real estate taxes, license and permit fees.

Details consist of the following:

Local	
Business and mayor's permit	₱32,266,003
Community tax certificate	10,500
	32,276,503
National	
Fringe benefit taxes	8,339,632
Other taxes	2,943,389
	11,283,021
	₱43,559,524

Insurance taxes
This includes all premium taxes and documentary stamp taxes. Details consist of the following:

Premium taxes	₱159,396,915
Documentary stamp tax	3,014,880
	₱162,411,795

Importations
The Company did not incur any excise tax in 2025.

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

Withholding taxes on compensation and benefits	₱111,130,120
Expanded withholding taxes	81,872,256
Final withholding taxes	2,115,023
	₱195,117,399

Tax Assessments and Cases
As of December 31, 2025, an outstanding tax case of the Company was elevated to the Supreme Court in relation to its tax assessment covering taxable year 2008 amounting to ₱11.45 million. Management believes that it is not liable to pay any deficiency taxes and has a strong position on the tax assessment, and if decided adversely, will not have a material effect on the Company's financial statements. Moreover, the Company settled its 2021 BIR audit amounting to a total of ₱31.7 million. The termination letter is yet to be provided by the BIR to officially close the audit. Aside from the foregoing, the Company has not received any final assessment notices from the BIR, and it has no tax cases, litigation and/or prosecution in court or bodies outside BIR.

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Building a better working world

SyCip Gorres Velayo & Co.
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1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULE

The Stockholders and the Board of Directors
Sun Life Grepa Financial, Inc.
6th Floor, Grepalife Building,
221 Senator Gil J. Puyat Avenue, Makati City

We have audited the accompanying financial statements of Sun Life Grepa Financial, Inc. (the Company) as at December 31, 2025 and for the year then ended, on which we have rendered the attached report dated March 18, 2026.

In compliance with Revised Securities Regulation Code Rule No. 68, we are stating that the Company has two (2) stockholders owning more than one hundred (100) shares.

SYCIP GORRES VELAYO & CO.

[redacted]

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

March 18, 2026

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**INDEPENDENT AUDITOR'S REPORT
ON THE SCHEDULE OF RECONCILIATION
OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors
Sun Life Grepa Financial, Inc.
6th Floor, Grepalife Building,
221 Senator Gil J. Puyat Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Sun Life Grepa Financial, Inc. (the Company) as at December 31, 2025 and have issued our report thereon dated March 18, 2026. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for the purpose of complying with Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This schedule has 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 information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

[redacted]

Glenda C. Anisco-Niño
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PTR No. 10765006, January 2, 2026, Makati City

March 18, 2026

SUN LIFE GREPA FINANCIAL, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2025

Unappropriated retained earnings, as reported, beginning		**₱6,837,556,454**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	820,000,000	
Retained Earnings appropriated during the reporting period	311,000,538	
Others	−	**1,131,000,538**
Unappropriated Retained Earnings, as adjusted		**5,706,555,916**
Add/Less: Net income for the current year		**1,671,962,948**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized foreign exchange gain (except those attributable to Cash and Cash Equivalents)	28,331,511	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	123,459,526	
Subtotal		**151,791,037**
Adjusted Net Income		**1,520,171,911**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in reconciling items under the previous categories	(85,870,858)	
Net movement in deferred tax assets and liabilities related to same transactions, e.g., set up of ROU and lease liability, set up of asset and asset retirement obligation, and set-up of service concession asset and concession payable.	7,456,031	
Others (adjustment on deferred tax asset movement)	232,106,998	
Subtotal		**153,692,171**
Total retained earnings, end, available for dividend declaration		**₱7,380,419,998**

SUN LIFE GREPA FINANCIAL, INC
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR
FEE-RELATED INFORMATION
DECEMBER 31, 2025

	2025	2024
Total Audit Fees	**₱2,543,750**	₱2,418,750
Non-audit service fees:		
Other assurance services	–	–
Tax services	–	–
All other services	775,500	–
Total Non-audit Fees	**775,500**	–
Total Audit and Non-audit Fees	**₱3,319,250**	₱2,418,750

Audit and Non-audit fees of other related entities

	2025	2024
Audit fees	**₱–**	₱–
Non-audit service fees:	–	–
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Total Audit and Non-audit Fees of other related entities	**₱–**	₱–

Fee dependency

For the years ended December 31, 2025 and 2024, the total fees received by SyCip Gorres Velayo & Co, Inc., the audit firm, from Sun Life Grepa Financial, Inc., the Company, do not represent more than 15% of the total fees received by the audit firm.